

TREASURER'S ADVANCE AUTHORISATION BILL 2009

Committee

Resumed from an earlier stage of the sitting. The Chairman of Committees (Hon George Cash) in the chair; Hon Barry House (Parliamentary Secretary) in charge of the bill.

Clause 1: Short title —

Committee was interrupted after the clause had been partly considered.

Hon KEN TRAVERS: As promised yesterday, is the parliamentary secretary able to provide us with an updated list of money that has already been drawn down from the account?

Hon BARRY HOUSE: It will be formatted during the dinner break and we will provide it immediately after the break.

Hon KEN TRAVERS: Is the parliamentary secretary able to provide a list of the current cash balances held by government agencies? Obviously another mechanism for agencies that are running over their appropriation is to use their cash balances; hence, reducing the need for this bill based on cash balances of agencies.

Hon BARRY HOUSE: I am able to table a summary of agencies' estimated cash balances at 30 June 2009. These are point-in-time estimates made from early February 2009 and are consistent with the financial data provided by agencies that yield the overall \$1.2 billion taxation advance limit. It should be noted that these estimates may have changed, along with all other financial information—because we live in a volatile world—during the budget formation process. In addition, year-end adjustments by agencies may occur resulting in differing final agency cash balances at 30 June 2009.

I table a document headed “General government agencies estimated cash holdings at 30 June 2009”. I emphasise the word “estimated”.

[See paper 682.]

Hon BARRY HOUSE: Mr Chairman, the document I passed to the attendant was incomplete and I seek to re-table a complete document after the dinner break.

The CHAIRMAN: Parliamentary Secretary, could I suggest that unless there is a particular reason not to, you seek to substitute the tabled paper after the dinner break?

Hon BARRY HOUSE: I will do that.

Hon KEN TRAVERS: Is it possible that we will need a further Treasurer's Advance Authorisation Bill this financial year?

Hon BARRY HOUSE: It is possible, but it is not probable. The normal financial instruments that come to Parliament from the government include the budget statements, the midyear review and this bill; that is how the convention has developed over the past decade or so. The government could choose to take an alternative route. The member has asked about mini-budgets on a couple of occasions and why this was not a mini-budget. It could have been, but the government chose not to use that method, and it has not been the convention in Western Australia to use mini-budgets. However, that is an option. If there is some dire unforeseen circumstance between now and 30 June and that \$1.2 billion were not enough to meet a totally abnormal, unforeseen circumstance, there might be the need for another bill of this sort, but it is not likely and we certainly hope that it is not required.

The CHAIRMAN: By way of courtesy, if the member is awaiting documentation to follow up certain questions, if the parliamentary secretary agrees, I am happy to leave the chair.

Hon KEN TRAVERS: No, I have plenty of questions to go on with, so that is fine, Mr Chairman.

I was going to follow on from the question about supplementary budgets, because in many respects this is effectively a supplementary budget. I invite the comment of the parliamentary secretary on the status of the bill, in that it is not an appropriation bill but it is a bill that appropriates money. I am intrigued about whether the parliamentary secretary agrees with the statement that it is a bill that appropriates money, but not an appropriation bill.

Hon BARRY HOUSE: The best way to answer that is that, with the authorisation of Parliament, this bill advances money, but it is not an appropriation bill in the full sense of the word “appropriation”.

Clause put and passed.

Clause 2: Commencement —

Hon Ken Travers; Hon Barry House; Chairman; Hon Sue Ellery; Hon Adele Farina; Hon Dr Sally Talbot; Hon
Jon Ford

Hon BARRY HOUSE: Yesterday, a valid question was asked about why the commencement clause is worded in the way it is, with two separate dates, one day after the other, for commencement. The explanation is thus. Clause 2 is a standard clause that is used in Western Australian bills in cases in which no special arrangements for commencement need to be provided for, such as when different provisions of an act need to be proclaimed to come into operation at different times. The purpose of the statement that the rest of the act commences on the day after assent is to avoid the retrospective effect that section 21 of the Interpretation Act 1984 might produce if the whole act commenced on assent. That section of the Interpretation Act provides that when a written law comes into operation on a particular day, it comes into operation at the beginning of that day. If a commencement provision provides that the whole of an act comes into operation on assent, and assent to that act is given in the late afternoon, its commencement would be effectively made retrospective to the beginning of the day—that is, immediately after midnight on the previous night. Having the substantive provisions of an act come into operation on the day after assent avoids that retrospective outcome.

Clause put and passed.

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

Hon KEN TRAVERS: My question is about the servicing of this debt. I recall the debate we had yesterday about the lumpiness of expenditure and revenues of the state. Is it expected that this bill will require the state to borrow money to fund it?

Hon BARRY HOUSE: That is being assessed through the budgetary process.

Hon KEN TRAVERS: I accept that it is being assessed; therefore, is it a possibility—from what I understood yesterday—that with the lumpiness we may actually not have the revenue to match the funds? My next question is: as a result of that lumpiness, have we got capacity within the existing loan bill—I think the last one was in 2003, from memory—to service any borrowings, or is there a likelihood that we will need a further loan bill?

Hon BARRY HOUSE: That is currently unclear because of the uncertainties around revenues and expenditure. However, if there is a requirement for further loan funds, there may be a requirement for a further loan bill to be brought to Parliament.

Hon KEN TRAVERS: We know that the first \$437 million is covered under the Financial Management Act 2006, and we are comfortable that we have enough finance to cover that in the next month. We have been told it is very important that we get this bill through this week because the state is likely to reach the cap of \$437 million. Have we got enough funds to service that cap without worry for the next month?

Hon BARRY HOUSE: My advice is that we have, yes.

Hon KEN TRAVERS: I should have just probably added: does that require us to in any way access the existing capacity within the 2003 loan bill, or do we actually have the cash to service it?

Hon BARRY HOUSE: It is very hard to give a definitive answer on that because it is dependent on fluctuating revenues and expenditures.

Hon KEN TRAVERS: Then is there a possibility that we may actually need to draw on borrowings to service this part of it and access the existing loan bill?

Hon BARRY HOUSE: It is possible, but unlikely.

Hon KEN TRAVERS: When will we know whether the state needs to borrow money for this particular bill? I accept the argument about assessing it as part of the budget, but is there an expectation of when the government will know the answer to that question?

Hon BARRY HOUSE: There will be some assumptions used in the budget, so it will become clearer in the budget, but we will not know with absolute certainty until after the budgetary process.

Hon KEN TRAVERS: I do not want to labour this point for too long. The presentation of the budget is one thing, but there is a cut-off date for the preparation of the budget on which all those assumptions are made. I know that the budget reports on this year's finances, but it is actually a document that deals with next year's finances. I would have thought that the decisions about the preparation of the budget—it is due to come down in just over a month—would already have been made.

Hon BARRY HOUSE: The budget this year will review 2008-09 revenue and expenditure. It is also a forecast and the best possible estimate of the financial statements for the next 12 months. It also then goes into forward estimates for several years after that, with less certainty the further out the forward estimates are.

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Hon KEN TRAVERS: I understand that, but if we need another loan bill this year, I would have thought it would need to come to the Parliament pretty quickly to get it through for this year. We are in recess for three weeks, then we are back in May, and we would need to get a loan bill through fairly quickly so that it can service this funding.

Hon BARRY HOUSE: The situation is continually monitored. If there is a requirement—that is possible but unlikely—for a loan bill, it will come in with the budget bills on 14 May.

Hon KEN TRAVERS: That does not leave much time, but I will not labour that point.

I will ask one further question of the parliamentary secretary, which he can answer after the dinner break. I would like him to give me a more detailed definition of what is considered unforeseen or extraordinary. As I said during the second reading debate, please do not give me the cyclone explanation, because I think we all accept that clearly there are issues in this bill that go way beyond the cyclone explanation. I would like the Treasury's explanation of how they measure and determine whether something is unforeseen or extraordinary and therefore eligible to be funded under this Treasurer's advance.

Sitting suspended from 6.00 to 7.30 pm

Hon BARRY HOUSE: Before the break, Hon Ken Travers sought an explanation of “extraordinary or unforeseen” in the context of this Treasurer's Advance Authorisation Bill. The purpose of the Treasurer's advance arrangement is recognition that the environment in which governments operate is not static and that governments need the financial capability to respond to changes in circumstances that may require them to expend more on services and purposes than was appropriated in the budget or on new initiatives that were not provided for in the budget. The intention when contemplating the form of words that has been adopted was to provide a broader scope for a government to undertake new initiatives, given it is impossible to know what they might be, and, in the event of an emergency or disaster, it may not be practicable to seek Parliament's endorsement of such expenditures in sufficient time. The circumstances were articulated in another form in section 27(1) and (2) of the Financial Management Act 2006 and section 28 of its predecessor, the Financial Administration and Audit Act 1985, as follows —

Where ... expenditure should be made for which —

- (a) no appropriation has been made in the financial year; or
- (b) an appropriation has been made in the financial year but the charging of that expenditure would cause the appropriation to be exceeded,

Hon KEN TRAVERS: Is Hon Barry House able to table a copy of what he was just reading. I do not know whether it is a confidential document.

The CHAIRMAN: He can just provide a copy; otherwise, it has to be registered. It is now in *Hansard* anyway.

Hon Barry House: I read exactly from the document

Hon KEN TRAVERS: I also wondered whether Hon Barry House now has available the document he indicated would be available after the dinner break which, if my memory serves me correctly, is a list of the items and the amounts that have already been drawn down on the Treasurer's advance account?

Hon BARRY HOUSE: I have two documents for tabling. One is the “Treasury 2008-09 Treasurer's advance amounts drawn to the year to date as at 6 April 2009”. The second one is an update on the previous document that I tabled, which is “General Government Agencies Estimated Cash Holdings at 30 June 2009”. There are two pages to that document, whereas before the break there was only one.

[See paper 683.]

Hon KEN TRAVERS: My next question relates to the document “Excess and New Items — the Treasurer's Advance 2008-09” that was provided to members by Treasury officers at different briefings. I understand that this document is a moveable document to some degree; it is an estimation and an approximation. It is also based on a document that was contained in the midyear review. I am not looking for a complete review or rewrite of it, but I would be interested if the parliamentary secretary was able to highlight any significant change that Treasury officers are now aware of, such as higher or lesser amounts that may be drawn down.

The CHAIRMAN: Which document is Hon Ken Travers referring to?

Hon KEN TRAVERS: It is a four-page document entitled “Excesses and New Items — the Treasurer's Advance 2008-09” that was provided by Treasury officers. Is there any significant or major variation to that document that Treasury officers are aware of that the parliamentary secretary can highlight?

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Hon BARRY HOUSE: Yes, the document that Hon Ken Travers was referring to is headed “Excesses and New Items — the Treasurer’s Advance 2008-09”. An example of what he is talking about can be found under the third item, “Commissioner of Main Roads”, which shows an amount of \$20.7 million under “Term network contracts — revised oil price adjustments (offset by some minor adjustments)”. As we know, oil prices have fluctuated pretty wildly in the past 12 months. That item is in response to those fluctuations and is the best possible estimate that we can make in relation to those fluctuations.

Hon KEN TRAVERS: It is probably about time, then, that we got into that document. Just for something completely different, we might start at the back of the document and work forward, although I think the Leader of the House might suggest that we should jump around a bit in it as well!

Hon Simon O’Brien: So this official. You are officially all over the place then!

Hon KEN TRAVERS: I can tell Hon Simon O’Brien that the advantage of being all over the place is that we will finally get to make sense of this document.

Hon Simon O’Brien: I reckon my line was better than yours!

Hon KEN TRAVERS: I thought it was not a bad comeback!

Hon Simon O’Brien: Very pedestrian! Let us report the bill to the house and read it and be done with it!

Hon KEN TRAVERS: All right!

I understand that a question was about to be asked when this bill was guillotined in the other place—not that we ever know what goes on there! The funding for the Busselton jetty refurbishment through the South West Development Commission is listed at \$12.1 million. In the midyear review the election commitment of \$12 million was spread over two years; that is, one amount of \$8 million and one of \$4 million. Will the parliamentary secretary explain the reason in this Treasurer’s advance for all of the \$12.1 million being contained in this year’s budget?

Hon BARRY HOUSE: It might help all members if I table a copy of that document, as that seems to be the order of events.

[See paper 685.]

Hon BARRY HOUSE: The question relates to page 3 of the document, which under “South West Development Commission” refers to an allocation of \$12.1 million for “Busselton jetty refurbishment”. The Busselton jetty is one of the major items in the full makeup of that \$12.1 million, but there are a couple of other items. I will give members the full list of items: the Liberal-National Party election commitment to the Balingup main street is \$250 000; the Liberal-National Party election commitment to redevelopment of the Collie town centre is \$500 000; another election commitment to the Busselton jetty refurbishment is \$8 million, with a further \$4 million being provided in 2009-10—so members already have a taste of what will be in the budget statement later on.

Hon Sally Talbot: What was Balingup?

Hon BARRY HOUSE: Balingup was \$250 000.

There is also another item: Busselton jetty refurbishment \$3.3 million, and this amount was already committed by the previous government. With a couple of other minor bits and pieces, that amounts to \$12.1 million.

Hon Adele Farina: Can the parliamentary secretary please table that document?

The CHAIRMAN: That one has been tabled; I am just waiting for it to be circulated now.

Hon BARRY HOUSE: The document I have just read from is an internal document; we can provide a summary, if members would like.

Hon Adele Farina: Chairman, my understanding is that if the parliamentary secretary is reading from a document that we should be able to ask for that document to be tabled so that we can all have a look at it and understand what is actually being read out.

The CHAIRMAN: I realise that is the member’s understanding, but if the parliamentary secretary is reading from a document and he declares it to be a confidential document, it does not have to be tabled. That is in the standing orders. However, I do not think there is any problem. The summary document that Hon Ken Travers had has been tabled and that is what I am —

Hon Adele Farina: No, it has not.

Point of Order

Hon Ken Travers; Hon Barry House; Chairman; Hon Sue Ellery; Hon Adele Farina; Hon Dr Sally Talbot; Hon
Jon Ford

Hon SUE ELLERY: If I may, I seek clarification, because I was a parliamentary secretary who was compelled to table some documents that I was referring to and I was compelled to table those documents because I was not a minister. Therefore, I ask for some clarification on that.

Hon Adele Farina: That is right.

The CHAIRMAN: I refer to standing order 47, which states —

A document relating to public affairs quoted from by a Minister, unless stated to be of a confidential nature, or such as should more properly be obtained by Address, may be called for and made a public document.

If it is the question as to the distinction between a minister and a parliamentary secretary, I was looking at Hon Barry House and considered him to be a minister. However, a literal reading of standing order 47 does not say “parliamentary secretary”. I am not sure of any precedents that have been set, but until such time as we get some further advice on that, the Leader of the Opposition is quite right, the parliamentary secretary is required to table the document.

Hon SUE ELLERY: Because there was a ruling on my matter.

The CHAIRMAN: I appreciate what the Leader of the Opposition is saying, but I do not have a ruling.

Hon KEN TRAVERS: Mr Chairman, maybe if you could take that into consideration and come back at a future time on that point.

Committee Resumed

Hon KEN TRAVERS: From what I understand, given the amount that the parliamentary secretary has listed, is he suggesting that the \$8 million is made up of the items for Collie, Balingup, Busselton jetty and a previous \$3 million sum—was it \$3.1 million that he said?

Hon BARRY HOUSE: The new commitment for the Busselton jetty from the new government is \$8 million in this document. That is additional to a previous commitment already from the previous government of \$3.3 million to fix the jetty. In addition to that, because the broad heading is “South West Development Commission”, there are another couple of items—namely, Balingup and Collie. If the member wishes, I can table that particular part of the table that I read from.

Hon KEN TRAVERS: I suspect that the table is probably the same as the one in the midyear review anyway, but the other members here may wish that to be tabled. It is my understanding that these items are listed as recurrent expenditure in the midyear review and not capital works. I am intrigued how the government determines what items will be considered for the purpose of listing in “Excesses and New Items”. Did the public service general agreement 4 wage claim on the government have any implications for the South West Development Commission; and, if so, what was the amount? Could the parliamentary secretary explain why these items were chosen in this instance, when the GA4 appeared for many other agencies?

Hon BARRY HOUSE: It is my understanding that as grants they will not be assets on the balance sheet, so they are recurrent expenditures. I understand that the GA4 salary negotiation commitments were absorbed by the South West Development Commission. In effect, that means there was no requirement for extra supplementation in that agency’s cuts. Hon Ken Travers will see on that document that the GA4 salary situation is mentioned for several other agencies.

Hon KEN TRAVERS: How does Treasury determine which items will be included as “Excesses and New Items” and which items are absorbed internally within the organisation? I also note from the midyear review that the South West Development Commission does not appear to be subject to a three per cent efficiency dividend; and if that is correct, why not?

Hon BARRY HOUSE: Where it is a new policy, it is reflected in this schedule. It is itemised because it has changed since the last budget.

Hon Ken Travers: Except that in some agencies the new items are not included and the GA4 is.

Hon BARRY HOUSE: I am sure that Hon Ken Travers will point out an example if he can find one.

In the case of the South West Development Commission, the commitment for the GA4 salary arrangements was \$83 000 and this was absorbed within its current appropriation.

Hon Ken Travers: And the three per cent?

Hon BARRY HOUSE: We will check that and get back to the member, as we are not quite sure if it applied to the South West Development Commission. The general rule is if the budget appropriation was under \$6.6 million, it does not apply.

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Hon KEN TRAVERS: I asked that question because, as I understand it, it is the total agency's budget. For instance, the Fisheries budget is over \$6.6 million, but it gets money from elsewhere and the total is calculated. Clearly, the budget for the South West Development Commission was over \$6 million because of the grants of \$8.8 million that are listed in the midyear review.

Hon BARRY HOUSE: It appears that the three per cent efficiency dividend does not apply to the South West Development Commission.

Hon SUE ELLERY: I refer to the document titled "Excesses and New Items—the Treasurer's Advance 2008-09", which is the document that was provided by the officers in the briefing. I refer to the estimated amount required by the Department for Child Protection in respect of the GA4 wage increase. Does that include an amount for the attraction and retention benefit? Is that still in place in the agency? It was an above-the-award payment that was designed to attract caseworkers to the Department for Child Protection. Does that GA4 increase go to the attraction and retention benefit?

Hon BARRY HOUSE: The \$2.2 million applies across the general budget for the child protection agency. It does not include anything extra for attraction and retention. I am not in a position to answer the question on whether the attraction and retention benefit is still included in the agency's budget.

Hon SUE ELLERY: It is not urgent that I know the answer tonight, but if the parliamentary secretary is in a position to provide me with an answer to that question tomorrow, it would be helpful.

We know that demand in child protection is growing. I am interested in the figures on which the child protection agency based its estimate for needing the \$2.2 million. Is it factoring in additional child protection staff? Is that part of what the increase is based on? For example, there is a demand model in place within the Department for Child Protection, which is the tool it uses to set its budget. We know that demand on services and the increase in children coming into the care of the CEO is running between 10 per cent and 16 per cent. Is the amount it is seeking extraordinary or unforeseen because of additional staff or is it based on the existing FTE that the agency has now?

Hon BARRY HOUSE: The estimate is based on the current approved FTE level. That is the best explanation I can give.

Hon SUE ELLERY: I refer to Communities, for which the additional amount that is estimated to be required is \$29.8 million for election commitments, including the cost-of-living rebate for seniors. I will go through this slowly. Last Thursday, the Minister for Seniors and Volunteering presented a ministerial statement to the house about the procedures that had been utilised to give effect to the cost-of-living rebate. In that ministerial statement she said —

I wish to table a two-page document that sets out the key milestones that all staff members have been working towards since 1 January ...

If the parliamentary secretary will trust me for a minute, I will read from that document, which I have in front of me. The document from which I will read is that which the Minister for Seniors and Volunteering tabled last Thursday. It is headed "Cost of Living Rebate for Seniors Card Holders — Key Milestones". Item 2 is headed "Set up bank account". Item 2.1 refers to "Administer set up of new bank account", and item 2.2 refers to "Drawdown of appropriation". The Gantt chart says that that draw-down would occur in the week commencing 16 February. I asked for and have been provided with a copy of the document that the parliamentary secretary tabled in the house a little while ago, the 2008-09 Treasurer's advance amounts drawn to year to date, as at 6 April 2009. I note that in that document there is no draw-down for the cost-of-living rebate. Therefore, I am trying to determine this: was an amount drawn down by the Department for Communities for the cost-of-living rebate in the week commencing 16 February, as set out in the table that was documented, or is the \$29.8 million estimated part of the global allocation in fact for the draw-down? In that case, the draw-down has happened, so why does the government need the \$29.8 million? Alternatively, the draw-down has not happened, and in that case the department did not meet the milestone in the table.

Hon BARRY HOUSE: We need to check an element of that, and we will check it for tomorrow. My current understanding is that no draw-down was required. The understanding is that the payments were going to be made only this month, so they might not in fact have occurred. Perhaps for the benefit of the Leader of the Opposition, I can itemise some of the amounts contained within that \$29.8 million figure.

Hon Sue Ellery: Yes.

Hon BARRY HOUSE: The seniors cost-of-living rebate, which is a total of \$106.6 million over four years, will provide the Seniors Card holders' cost-of-living rebate of \$100 per annum for singles and \$150 per annum for couples. That amounts to \$25.6 million. Another election commitment was seniors security. The government is

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to provide state Seniors Card holders with a \$200 rebate for the purchase or installation of home security devices. That amounts to \$2.5 million. An amount of \$200 000, or \$0.2 million, will be spent towards improving the Lions community respite centre for carers in Albany. Repairs to and upgrades of the Collie childcare centre, to the value of \$400 000, have been approved over the next three years to 2010-11. That is a total of \$0.2 million. If I am not mistaken, I think the minister was in Collie the other day to announce that.

Hon Sue Ellery: With the Collie childcare centre, I thought you said something about \$400 000. Is that over the out years; is that what you are saying?

Hon BARRY HOUSE: An amount of \$400 000 has been approved over the next three years to 2010-11. There are a couple of other items. The amount for the integrated services centre is \$0.8 million, and an impact on the salaries cost of the public service general agreement 4 is \$0.5 million.

Hon Sue Ellery: The one above GA4, what was that?

Hon BARRY HOUSE: It is the integrated services centre.

Hon Sue Ellery: What is that?

Hon BARRY HOUSE: It is \$0.8 million.

Hon Sue Ellery: What is the integrated services centre?

Hon BARRY HOUSE: Can I take that on notice? I am not exactly sure of the full explanation and definition of an integrated service centre.

Hon SUE ELLERY: One more from me while we are under “C”; that is, “Corrective Services”. There is an estimation of \$9.1 million for the increased prison population and the GA4 wage increase. My understanding is that the number of beds—I think that is the expression they use—in prisons was estimated to be something like 3 700 in the budget documents last year. I think it is about 3 900 beds now. Is the parliamentary secretary able to tell us what component of the \$9.1 million will go towards doing something in relation to the increased prison population? Is that towards X number of new beds; what is that towards?

Hon BARRY HOUSE: This is funded towards a total of 3 900 prison beds.

Hon Sue Ellery: If the member will take a question by interjection, the dot point below that reads “new medium to maximum security prison and new juvenile prison”. What is the difference between the allocation to build new prisons and the allocation to the increased prison population?

Hon BARRY HOUSE: The first one takes into account an anticipated increased prison population and the wage increases. The second one is for the planning of the new medium to maximum security prison and the new juvenile prison as part of the election commitments. That is actually broken into two components. The first one is for a prison facility for 18 to 22-year-old males, which is to be developed in the metropolitan area. The second one is for a medium to maximum security prison facility for males. Planning for a 350-bed metropolitan medium to maximum security prison for men is to proceed from 2008-09. That is \$2.5 million. The first one was \$5 million.

Hon SUE ELLERY: I ask the member to advise where that is planned to be built. Also, just so I am clear in my own mind, an additional allocation to increased prison population is different from building a new prison to deal with an increased prison population because the first one goes to increased staff and increased costs of having more prisoners. I am not sure what the difference is. I note that in the parliamentary secretary’s answer to the last question, he was reading from a document.

Hon BARRY HOUSE: The first item in fuller detail is the increased prisoner population to a daily average prisoner number of 3 900, and there has been a significant rise in prisoner numbers over the past five years of 33.7 per cent; that is \$9.1 million. The other component is for the planning and construction of the two other prison facilities.

Hon Sue Ellery: I assume the first one is about feeding and clothing extra prisoners.

Hon BARRY HOUSE: Yes; the second one is bricks and mortar, basically, and the first one is about ongoing costs.

Hon Sue Ellery: What is the site?

Hon BARRY HOUSE: I cannot answer that. The member would have to direct the question to the minister.

Hon Sue Ellery: I will; thank you.

Hon Ken Travers; Hon Barry House; Chairman; Hon Sue Ellery; Hon Adele Farina; Hon Dr Sally Talbot; Hon
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Hon SALLY TALBOT: I have a couple of questions for the parliamentary secretary, if we can continue jumping around alphabetically. I refer to the document entitled “Excesses and New Items — the Treasurer’s Advance 2008-09”, which was provided to us by the Treasury officials. I refer to the item “Water” at the top of page 4. I think this may cross over into the item two rows under “Water”, which is headed “All Other Items”, under which is “Various small items” and an amount of \$6.6 million. I need some clarity about this. In this document, water is shown as having an extra allocation of \$2.6 million. I went back to the *2008-09 Government Mid-year Financial Projections Statement* and under Appendix 4, “The Treasurer’s Advance”, at item 58 there is mention of a water allocation headed “Department of Water”, under which is “Delivery of services”, and there is a figure of \$700 000. It seemed to me that there was rather a large discrepancy there. To add to my confusion, I understood from a briefing we received from Treasury officials that the \$2.6 million shown under “Water” as a line item in this bill was composed of \$1.8 million for the GA4 wage increase, and \$800 000 for depreciating parameter adjustments. I wonder whether the parliamentary secretary could help me understand the discrepancy between the two items—the projections statement and the bill under consideration.

Hon BARRY HOUSE: The difference between the midyear financial statements, which show a figure of \$700 000 and the \$2.6 million shown in the excesses and new items document, is primarily due to the GA4 salary agreement. The total of that is in the vicinity of about \$1.7 million for water instrumentalities.

Ruling by Chairman

The CHAIRMAN: Before Hon Sally Talbot progresses with her questioning, I have to interrupt to deal with a matter that came up 30 minutes ago in respect of the tabling of a document. As I recall, Hon Adele Farina sought for a document to be tabled and I indicated that under standing order 47, a minister is not required to table a document if the minister states the document to be of a confidential nature. I regarded Hon Barry House as a minister. Hon Sue Ellery as Leader of the Opposition raised a point of order, indicating that when she was a parliamentary secretary, she was required to table a document. I indicated that I would find that ruling so that I could deal with the matter.

In the meantime, my literal reading of standing order 47 was that it applies only to a minister. I was mistaken in considering Hon Barry House to be a minister as such. On 10 March 2004, a ruling was made—that is the ruling that the honourable Leader of the Opposition referred to. However, that ruling dealt with standing order 48, which deals with a situation in which a document is being quoted by a member, not a minister. I am not going to go into the distinction, because, in the end, it will not make any difference at all, and the parliamentary secretary will be required to table the original document that he was quoting from. The honourable Leader of the Opposition also raised an issue in respect of another document. I do not know whether the Leader of the Opposition asked for that document to be tabled, but I indicated that I certainly was not going to stand in the way of anything being tabled, but that I needed some time to consider the matter.

I understand that the standing orders in their present form do not adequately take into account the role of a parliamentary secretary. However, that is a matter for the Standing Committee on Procedure and Privileges to deal with in due course. I earnestly suggest that that matter be referred to the privileges committee. I say that because in the end—this is the purpose of my expanding my comments—if parliamentary secretaries come into the chamber knowing that they have to table documents that ministers do not have to table, at some stage that will militate against the best interests of the house, because parliamentary secretaries will not bring into the chamber documents that a minister may bring into the house.

Hon Sue Ellery: I never did that again!

The CHAIRMAN: Hon Sue Ellery makes the point for me! I am just saying that I think it is a matter that should be referred to the privileges committee in due course. I am sure the new privileges committee will deal with that matter.

I am obliged to advise the parliamentary secretary that the request by Hon Adele Farina was a valid request under the standing orders—be it 47 or 48; it does not matter for the time being—and that document is to be tabled. If the honourable Leader of the Opposition can indicate the other document that she sought to have tabled—

Hon Sue Ellery: It was in relation to corrective services.

The CHAIRMAN: The parliamentary secretary will be required to table that document, too. If the parliamentary secretary can deal with that now before we proceed, it would be helpful.

Point of Order

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Hon BARRY HOUSE: Just on a point of clarification, Mr Chairman, the document that was referred to by Hon Adele Farina was just one page, and I quoted from just one small section of that one page.

The CHAIRMAN: It is still the one page, and it must be tabled.

Hon BARRY HOUSE: I thought that was going to be your answer, Mr Chairman!

Hon ADELE FARINA: On a point of order, Hon Sue Ellery, in her capacity at the time as Parliamentary Secretary to the Minister for Health, was required to table a whole lever arch file containing all the documents—documents that she was not even holding at the time. In this case, I would expect that the parliamentary secretary would table the whole document that he was holding in his hand, not simply the page from which he was quoting, given the precedent that already exists.

The CHAIRMAN: That I am not sure about at this stage, because the parliamentary secretary certainly had a single document in his hand at that time. I do not believe that that extends to all the documents in front of him, so to speak, but that is a matter that can be dealt with in due course. I am interested in the single document for the time being.

Hon ADELE FARINA: Mr Chairman, I am sorry to be difficult about this, but I am concerned that if we deal with this matter in due course, it may very well be too late for the debate that we are having now. There is a clear precedent that the former Parliamentary Secretary to the Minister for Health was required to comply with. I do not think it is unreasonable that that same principle and custom be adopted in this instance.

The CHAIRMAN: As I recall the situation, the document that the member is referring to was in fact in the file that was being held by the parliamentary secretary at the time. That is the point. This is not the first time that matter has been raised.

Hon ADELE FARINA: No, Mr Chairman, but that only supports my argument that the whole document that the parliamentary secretary was holding should be tabled, not simply the page from which he was reading.

The CHAIRMAN: No; the member misunderstands me. The page that I am referring to was the single page that was being quoted from, as I understand it. It was not part of a file. If it is the case that it was part of a bundle of documents, the whole bundle has to be tabled.

Hon Adele Farina: You need to clarify that.

The CHAIRMAN: I will in a moment. I am not disputing the argument or the line that Hon Adele Farina is following. I am saying that to my knowledge it was a single page that was being quoted from. The honourable parliamentary secretary can clear the matter up. Was it a single page or was it a page as part of a bundle of documents?

Hon BARRY HOUSE: Mr Chairman, it was a single page.

The CHAIRMAN: That is what I understood it to be. In this case it was a single page.

Hon Adele Farina: I stand corrected. My apologies, Mr Chairman.

The CHAIRMAN: There is no need to apologise, because I am trying to make a very serious point to the chamber—I think everyone is understanding the point—that it needs to be dealt with, because if that single page had been within a file, the whole file would have been required to be tabled, as has been the practice in the past. There was serious debate on the matter some years ago. That document is to be tabled.

Hon BARRY HOUSE: Thank you, Mr Chairman. I table that one-page document.

[See paper 684.]

Hon BARRY HOUSE: While I am at it, to satisfy the Leader of the Opposition, I was quoting from one section of another document that I have, which is a six-page document that is stapled together.

The CHAIRMAN: That is to be regarded as a bundle of papers from which the parliamentary secretary has quoted. The bundle, which apparently comprises six pages, is to be tabled. It is to be the document the parliamentary secretary was quoting from.

Hon BARRY HOUSE: I was just sorting out the documents. I want to give a clean copy.

The CHAIRMAN: That is not the point. It has to be the document that was referred to. Having raised that, and because that is the ruling, I would not be surprised if in future the parliamentary secretary picked up one page at a time. It is a very serious matter.

[See paper 685.]

Hon Barry House: I will not pick up another piece of paper!

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The CHAIRMAN: That is the reason the standing orders need to be looked at. We are still dealing with clause 3. I thank Hon Sally Talbot for allowing me to interrupt her line of questioning.

Committee Resumed

Hon SALLY TALBOT: That is okay. I shall see whether I can grab the strand of thought that I was pursuing. I go back to the four-page document “Excesses and New Items — the Treasurer’s Advance 2008-09”, and the figure of \$2.6 million that appears under “Water”. If I understand the parliamentary secretary’s advice to me correctly, the difference between \$2.6 million and \$700 000 in the *Government Mid-year Financial Projections Statement* is the \$1.8 million general agreement wage increase.

Hon Barry House: That is the general understanding.

Hon SALLY TALBOT: In that case, perhaps my confusion is caused by the way that Treasury labels these items. Is the parliamentary secretary telling me that a depreciating parameter adjustment is the same as a delivery of services cost?

Hon BARRY HOUSE: The short answer is, yes, it is a cost incurred in the delivery of a service.

Hon SALLY TALBOT: Would that include depreciation costs?

Hon BARRY HOUSE: Yes.

Hon SALLY TALBOT: May I just briefly canvas a couple of other items here? Again, when I first got to my feet tonight, I made reference to the “All Other Items” category of \$6.6 million. I was keen to try to unpack some of that. I know we received an initial explanation of how it was comprised. I hope the parliamentary secretary can help me here. I refer back to appendix 4 in the midyear review, where I find the line item that refers to \$100 000 going to the Parliamentary Services Department. Can I ask the parliamentary secretary what incurred that additional cost?

Hon BARRY HOUSE: I am actually delighted to answer that, because that \$100 000 item is supplementary funding towards the capital cost of the refurbishment of the Legislative Council.

Hon SALLY TALBOT: I thought that might be the answer, and I agree with Hon Barry House that it is probably the correct answer. I have a couple of other questions along the same lines. Can I first confirm that I am on the right track when pulling out these small line items from appendix 4 in the midyear statement and matching them to the \$6.6 million under “All Other Items”?

Hon Barry House: What was your question?

Hon SALLY TALBOT: The figure for the Parliamentary Services in the question I just asked is covered in the bill under consideration under “All Other Items”. Is that correct?

Hon BARRY HOUSE: It is correct to the extent that those small items are included in the \$6.6 million item, in total.

Hon SALLY TALBOT: A more substantial sum is mentioned on that page—\$500 000 under item 89 in the midyear financial projection statement. It is listed under the Library Board of Western Australia. It seems like a fairly substantial amount. Could the parliamentary secretary tell us what has incurred that additional cost?

Hon BARRY HOUSE: The information on the item requested by the member is for the Library Board of Western Australia adjustment to the library appropriation for an accounting change. This was partially offset by the efficiency dividend.

Hon SALLY TALBOT: My last question relating to appendix 4 and the \$6.6 million in the bill is about item 78. Again, it is not a large amount, but I am interested to know what the adjustment can be attributed to. Item 78 in appendix 4 gives a reference to the Western Australian branch of the National Trust of Australia. I ask the parliamentary secretary the same question about that item.

Hon BARRY HOUSE: It seems that the item for the National Trust is so small that it does not even feature on the list. It may well have even fallen off this supplementary list since the midyear review. However, we will check that information and follow it up for the member.

Hon ADELE FARINA: I would like to take the parliamentary secretary back to the Busselton jetty, which I am sure he expected would happen. I would appreciate it if the parliamentary secretary would go through the explanation that he provided earlier because I did not quite follow it. Perhaps I could ask some follow-up questions once he has run through that explanation again.

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Hon BARRY HOUSE: We have a little problem because we need to refer to the document that I tabled, which has been taken away to be photocopied.

Hon Adele Farina: Is this the one?

Hon BARRY HOUSE: It is not that one; it is the other document that I tabled in response to the Leader of the Opposition's request.

Hon Adele Farina: Is it this one with all the detail at the bottom?

Hon BARRY HOUSE: It has a little more detail. It seems that everyone has one except me.

Hon Adele Farina: Is this the one?

Hon BARRY HOUSE: There is a bit of confusion about tabled papers. Some members seem to have a copy of the tabled paper, which I no longer have. If we get that sorted, we will be right.

Hon KEN TRAVERS: I refer to page 53 of the pre-election financial projection statements where it highlights that the government's net cash surplus is \$337 million. For the benefit of Hansard I am referring to the general government cash flow statements. The *Government Mid-year Financial Projections Statement* shows that the cash surplus or deficit predicted for 2008-09 is minus \$401 million. It is almost a \$750 million turnaround within those two documents. As you would realise, Mr Deputy Chairman (Hon Ray Halligan) it is very similar to the total amount of the Treasurer's advance. I wonder what impact this bill has and whether that turnaround is as a result of this Treasurer's advance? If not, what is it?

Hon BARRY HOUSE: It is not as a result of this Treasurer's Advance Authorisation Bill. That turnaround is as a result of the different revenue and expenditure circumstances between the pre-election review, which was just before the election in September, and the midyear review, the figures for which were taken from 1 December 2008. This bill had no impact on those figures or the turnaround. This bill just reflects that, in a sense. It is a result of the state's changed revenue and expenditure circumstances.

Hon KEN TRAVERS: I probably worded my question incorrectly and probably should have asked whether the Treasurer's advance bill has resulted from the expenditure commitments that have led to this significant turnaround. It strikes me that the end result of the government's policy decisions is that we must now advance more money. Is it those policy decisions that have led to this turnaround in our cash position?

Hon BARRY HOUSE: Yes; it is the policy decisions and it is the reductions in revenue that have occurred as a result of a variety of factors, including reduced commodity prices, exchange rate fluctuations, declining property prices that have caused a decline in stamp duty, and less revenue from land and payroll taxes. It is also due to the policy decisions that happened as a result of a change in administration midstream of this budget cycle. That happened as a result of an election that changed the administration of the state from a Labor administration to a Liberal-National administration. The policy decisions were obviously different. We have different policies on a variety of things that attracted expenditures. The Busselton Jetty, which we will get to in a minute, is a classic example. We took a decision to supplement the \$12 million the Labor administration had already allocated with an additional \$12 million to get the jetty fixed, independently of other issues in Busselton, as Hon Adele Farina well knows. If there had not been a change in administration, that is just one item that I suggest would not have appeared in this Treasurer's Advance Authorisation Bill. It would not have been required because when the opposition was in government, it probably would not have provided that extra \$12 million. It might have, I do not know; that is all hypothetical. It is a pretty sad situation that Busselton jetty is closed now. We just hope that no unforeseen circumstance like another cyclone Alby takes it away before we can get it fixed.

Hon KEN TRAVERS: I note the comments of the parliamentary secretary. It strikes me that growth was more from operating activities. In fact, according to this document, the total receipts from operating activities increased between the pre-election statement and the midyear review. We have therefore received more money from the operating activities, but the big change has been in the increase in total payments for operating activities. The parliamentary secretary suggested that the increase was due to a combination of these things, but it strikes me that it is the expenses that have driven this significant turnaround, not the changes to the revenue parameters. That is a very quick analysis of all the figures; I am not saying it is the only analysis. However, the significant one that jumps out at me is the increase in expenses from the operating activities, or payments for operating activities.

Hon BARRY HOUSE: Let us look at these figures that Hon Ken Travers is referring to. The estimate of the sum total for the operating activities at pre-election time was \$2.892 million. The operating activities estimate at 1 December 2008 was \$2.182 million; there is a decline of about \$700 million. That figure alone relates to the operating activities.

Hon Ken Travers: That's in the cash flow from operating activities.

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Hon BARRY HOUSE: Yes.

Hon Ken Travers: I agree with you that there's a turnaround of \$700 000 but if you then look at how that's generated, the receipts have stayed the same, but the reason that's reduced is that the payments have grown by \$700 000.

Hon BARRY HOUSE: Yes; I can see the figures Hon Ken Travers is referring to. The receipts have stayed about the same—from \$20.942 million to \$20.980 million

Hon Ken Travers: They have gone up by \$40 000 in fact.

Hon BARRY HOUSE: Yes.

Hon Ken Travers: But the payments have gone up significantly.

Hon BARRY HOUSE: The payments have gone up from \$18.049 million to \$18.799 million. Yes, they have gone up significantly but that is in the context of the salary increases across the public sector, in the context of fluctuating fuel prices and in the context of all the other factors we have discussed this evening. I suggest that every government in the world is facing this situation, and has faced it since the middle of 2008. We have seen just in the past week the Prime Minister and those at the G20 meeting in London propose a series of regulations and expenditures. I suggest that the expenditure we are seeing in this Parliament tonight is chickenfeed compared with the expenditure we will see in our own federal Parliament. That will be replicated in every Parliament pretty much everywhere in the world, I think, in terms of their estimated expenditure matched against the actuals over the past six months or so.

Hon KEN TRAVERS: I accept that and I am not attacking the parliamentary secretary for the fact that the government's expenditure has gone up. I simply wanted to ensure that we are on the same wavelength—namely, that the key driver of that turnaround has been the increase in expenditure; it is not driven by the revenues in the main, which I think was not quite the answer I was getting earlier.

The next question I have is about the “cash surplus/-deficit” of \$401 million at the bottom of page 53 in the *Government Mid-year Financial Projections Statement*. Can the parliamentary secretary tell me how we fund that deficit of \$401 million?

Hon BARRY HOUSE: That will be funded from the consolidated account—the consolidated reserves fund.

Hon KEN TRAVERS: Can the parliamentary secretary point me to the section of the balance sheet that shows the current balance in the cash account?

Hon BARRY HOUSE: So that we are sure that I give the member the correct number, I would rather take that question on notice and provide that information to the member as soon as I can.

Hon KEN TRAVERS: Does Treasury still expect that the \$337 million that relates to the royalties for regions program that is itemised on page 125 will be drawn down in this financial year; and, if not, could the parliamentary secretary identify which items are likely to be changed?

Hon BARRY HOUSE: This is being determined in the budgetary process.

Hon KEN TRAVERS: With all due respect, the Minister for Mines and Petroleum announced the exploration incentive scheme yesterday. The scheme is currently \$80 million over four years, and the minister announced \$80 million will be expended over five years. I would have thought that clearly indicates a change that I suspect will occur in this year. In fact, I know that we will not spend the full \$20 million this year, and I assume that will be allocated out in the fifth year. Can the parliamentary secretary advise me what the expenditure figure will be for this year?

Hon BARRY HOUSE: I am really interested to know how Hon Ken Travers could know this when the Treasurer and the Treasury officials do not—the bad news is that I do not know—because it is still under consideration in budget discussions.

Hon KEN TRAVERS: As I said, the minister made the announcement yesterday. The figure to be expended this year will be \$1.7 million rather than \$20 million. I hope that between now and the third reading of the bill tomorrow, the parliamentary secretary can confirm that my figure is correct. That will free up \$18.3 million, and I wonder whether we can then reduce the Treasurer's advance from \$1.2 billion to \$1.19 billion or something like that.

On that basis, I ask the parliamentary secretary to seek updated figures for all the items listed under the royalties for regions program, because clearly decisions have been made on these. Could Treasury confirm advice given to me—I am not sure I quite understand it yet—that \$143 million in expenditure on the Housing our Workforce

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program has been brought forward from 2009-10 to 2008-09? I personally doubt that, but that is what housing officers and the chief of staff to the Minister for Regional Development are telling people. If that is the case, how will that be funded because that will involve the whole contingency fund? As we go through all these items and there are changes—announcements have already been made—I would like to know why Treasury is not aware of the changes, when they have been publicly announced.

Hon BARRY HOUSE: These are suppositions. I can assure the member that they do not form part of cabinet deliberations or the budget process at this stage. We are dealing with a bill containing figures that were arrived at in mid-January as the best possible estimate for contingencies. That is what we are dealing with in this bill. Things change and what the member said might be correct in some respects. Some things may have changed since then. They always change; they change because of circumstances, policy, cabinet decisions and requirements.

What the member heard in a coffee shop from somebody who heard from somebody's cousin who works in a minister's office may not be quite on the mark. It might be somebody's view of the world, but it does not mean that it is a cabinet decision and is currently under consideration in the budget. Have patience and all will be revealed on 14 May.

Hon KEN TRAVERS: I am happy to have patience. I am also happy to confirm that Brendon Grylls and Troy Buswell are nothing more than coffee shop gossips.

I am happy to quote from this document and table it for the benefit of the parliamentary secretary and the Treasury officers. The document is a media statement issued jointly by Brendon Grylls, Minister for Regional Development, and Troy Buswell, Treasurer, and I think that Hon Barry House is his parliamentary secretary. It is dated 2 February 2009 and states —

... \$316million would be brought forward from future budgets to fund construction of more than 1,000 new dwellings in Perth and regional Western Australia.

Of this, \$116million would be spent on social housing and \$200million from Royalties for Regions funding —

I find it hard to believe that the money will be spent this financial year but officers from the Department of Housing assure me that it is intended to spend it this financial year. The parliamentary secretary would understand that, under accrual accounting, if the money was not going to be spent this year, it would not be brought forward into this budget. It would mean that the Treasurer's press release is phoney because the expenditure has not been brought forward. I am intrigued that the Treasurer can make a statement like that, jointly with the Minister for Regional Development, and the parliamentary secretary tells me that I am relying on coffee shop gossip.

Hon BARRY HOUSE: I cannot confirm or deny any one particular aspect. We are dealing with a holistic government situation. The date of that statement is interesting.

In answer to the member's last question I said that this was a snapshot of the best estimates available that were put forward in mid-January. That initiative to which the member referred was announced on 2 February. It was probably announced after a cabinet meeting or the day after. I also said that this situation is subject to change. Fluctuations and changes occur all the time. It is subject not only to fluctuations in exchange rates but also to cabinet decisions, and the member highlighted one.

Hon KEN TRAVERS: I will not labour the point tonight. I am fascinated with how it works. It demonstrates a government that is not in control of the expenditure of this state, which makes me more nervous about writing a blank cheque, because that is what we are being asked to do. The opposition has been given a list of expenditure items, and when we question the government about it, the parliamentary secretary says he cannot explain it, even though we can quote from a press release by Brendon Grylls and the Treasurer that states that \$200 million will be brought forward. I have heard both the head of the Department of Housing and Brendon Grylls' chief of staff make comments to the effect that \$143 million will be brought forward into this year's budget. If that is not the case, the parliamentary secretary is really telling me that Brendon Grylls and Troy Buswell were lying to the people of Western Australia, which I would find hard to believe. Maybe not. I would find it hard to believe one of them.

Hon Adele Farina: Which one?

Hon KEN TRAVERS: The member can guess which one. I will not say who it is.

It is important that we know these things. The amount of \$143 million takes up almost the full contingency fund. We have already identified that the government will need its contingency to cover all the agencies that do not make their three per cent savings, even though the government will not tell us at this stage which ones they are.

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Most of them are now so close to the end of their budgets that it would be impossible for them to not go over budget and to make the savings. Can I ask the parliamentary secretary that between now and tomorrow when we come back to this debate, he have these matters examined, find out what exactly the situation is and report it to the chamber? We have raised two matters tonight: Housing our Workforce and the exploration incentive scheme. Can the parliamentary secretary go through the rest of them and get an indication from his cabinet colleagues of what exactly the situation is and what decisions they have made, so that when this Parliament makes a decision tomorrow on whether to third read this bill, it is done on an informed basis, and not on a document that is out of date and ill-informed, and we have at least some idea of what we are approving? I am going to let my colleagues have a bit of a discussion, but I will come back to the answer that the parliamentary secretary gave me earlier about unforeseen or extraordinary matters.

Hon Barry House: We will deal with one thing at a time.

Hon KEN TRAVERS: Yes. However, I will let my colleagues have a bit of a say, because I am sure that they will have questions about royalties for regions.

Hon Barry House: Can I respond to your first bit first?

Hon KEN TRAVERS: Yes. However, I ask the parliamentary secretary to undertake to go away and check, in particular, how much of the amount allocated to the exploration incentive scheme will be spent this year, what the expenditure on Housing our Workforce will be in this financial year, and whether there are any other changes to the items listed on page 15 as being the expenditure in 2008-09 from royalties for regions, which translates into the full \$337 million that the government is asking for tonight as part of this Treasurer's advance.

Hon BARRY HOUSE: The member is asking us to revise all these estimates as at 8 April 2009, rather than deal with this bill, which presents the situation as it existed in January. That is impossible to do.

Hon Adele Farina: Why?

Hon BARRY HOUSE: First, I am not at liberty to say because I do not know—nor does anybody else, apart from cabinet members—what decisions have been made on various matters that will appear in the budget.

Hon Ken Travers: I'm asking you —

Hon BARRY HOUSE: Hang on a second. The member quoted one thing. That is obviously one decision that the cabinet made and decided to announce there and then. That is its prerogative. I am sure that when cabinet met that day—I do not know exactly what happened because I do not sit in cabinet—it arrived at a host of decisions on a host of matters involving the state's finances, but it did not announce them all, and it will not announce the implications of all those matters until the budget is handed down. It is an impossible request to ask Treasury to go away tonight, reassess everything presented in this bill and virtually come into this Parliament tomorrow with a brand-new Treasurer's Advance Authorisation Bill. That is what the member is asking. That is a physical impossibility, and it would not mean anything anyhow. All it would mean is that we have taken another snapshot of estimates at a different point in time and made that request of the Parliament. I know that has not answered the member's question, but I sense that he is asking questions that he knows there is no answer to, because we are operating in a fluid situation; we are operating with finances that are coming and going and changing every day in relation to all sorts of things. Even if we came back tomorrow with the information that the member is requesting, when the opposition debated it, it would say, "We're not going to agree to that because we don't know what the situation will be like tomorrow or the day after that." The opposition would never be satisfied, and that process would make accountability to the Parliament totally impossible. I am trying my best to provide all the information to this chamber that I can on this bill. That is what we are debating. We are not debating the budget or aspects of precise details of expenditure in relation to a media statement. We are debating this bill, which seeks parliamentary authorisation for extra expenditure.

Hon KEN TRAVERS: Even though the parliamentary secretary has given us a document, he has just said to us, "Tear it up! Don't worry about that document because it means nothing; it can all change." That is what his answer just said to us. I have raised with him tonight two publicly announced decisions—not secret decisions of cabinet, not decisions that have fallen off the back of a truck to me—one of which I even had the courtesy to quote from the press release of the minister he represents in this place and the Minister for Regional Development saying they are bringing forward the money. A better answer from him tonight would have been that he cannot give us the unannounced decisions of cabinet, but he will go away and find out what decisions of cabinet have been publicly announced and how they will impact on this document. Otherwise, why even bother giving us this document if he is telling us it can be torn up and thrown away as a piece of rubbish that does not mean anything? It is not what the government really is planning on doing because of these other decisions. I have asked the member to update us on two publicly announced decisions and tell us where that fits within this document. He tells us tonight he wants \$337 million. The opposition said that it would get on and pass this bill

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this week because it expected to get the answers that it wanted in this place. I can tell the parliamentary secretary that we are not getting the answers. I think we have every right to expect the answers to be given to us, particularly when they are already publicly announced decisions of government.

Hon Jon Ford and I know that the government is only going to spend \$1.7 million. The Leader of the House would probably know that fact as well, that that is all the government is going to spend in this financial year out of that allocation that is claimed in the Treasurer's advance. It is just extraordinary that the parliamentary secretary cannot give us those answers and he is not even prepared to go away tomorrow and come back with an update on what those real figures are now for royalties to the regions.

Hon BARRY HOUSE: The member's first request was for a complete review of the assessments of everything that was contained in that \$337 million item. That is the bit that I said was inappropriate. As I understand it, he has made some specific requests in relation to the exploration incentive scheme targeted at \$20 million and the "Housing our Workforce" item at \$64.7 million. Have I got that right? Just answer yes or no.

Hon Ken Travers: They are two items specifically —

Hon BARRY HOUSE: Mr Chairman, there are two items —

The CHAIRMAN: We have got all tonight, we have got all tomorrow and we have got all next week.

Hon Kate Doust: We are happy to do benediction here on Friday!

Hon BARRY HOUSE: I am happy to take those two items away overnight and see what further information we can provide for the member tomorrow.

Hon KEN TRAVERS: I did ask for all of them and I still want all of them, but I want the member to go away and, where decisions have been made and they are able to be made public, they should be made public. I could keep going through this all night. For instance, I have given him the two items, including the northern towns development fund. I know the government has been up there and made the announcement of the northern towns development fund. Hon Jon Ford probably was not invited, even though I think it was a project he developed as a minister. Decisions and announcements have been made about that. I want to know what impact those decisions and announcements will have on the finances. I can keep going away and getting the information and doing it the hard way, or the parliamentary secretary could make it a little easier for us and tell us what the impacts are, and whether there are any others that fit in there. I am not just limiting this to the ones I am telling the parliamentary secretary about, but I ask him to go away and check with people in government what other impacts there will be. I am sure that there are many agencies that will know by now whether they will complete their funding rounds for grant applications and whether the dates they have set will allow for the grants to be determined and paid out before the end of the financial year. That may have an impact. I do not think that it is unreasonable for the opposition to ask for that sort of information to be gathered from within the government and relayed to this house as part of this process. The government is listing these items and telling the Parliament that it needs this money for these purposes, but it is clear that many of these purposes have changed because decisions have been made and announced publicly. The parliamentary secretary should not limit his answer to what I have spoken about, because I will haul him through the coals tomorrow over a range of other announcements that I suspect have already been made, and I will ask him to explain the impacts of them.

Hon BARRY HOUSE: I am not quite sure I can say anything to satisfy the member, but those announcements about programs are being taken into account within the context of these broader figures, and they are subject to cabinet deliberations and ongoing budget considerations. I am not privy to such information, and I would not be at liberty to divulge it if I were, in common with ministers in this house and the other place, unless they choose to do so. All will be revealed in the budget.

Hon JON FORD: My question is along similar lines. There is a section under "Western Australia Police" that refers to the replacement of the Mt Magnet and Fitzroy Crossing Police Stations and to a replacement station in the south metropolitan area, for which there is an amount of \$8 million. I am not aware of any public announcement about the Fitzroy Crossing Police Station, other than reading an article about the police calling for it to be replaced. Why would the government need this advance when there is only 80 days to go before the end of June? The government is asking for \$8 million.

Hon BARRY HOUSE: The item is for the replacement of the Mt Magnet and Fitzroy Crossing Police Stations, and for a replacement station in the south metropolitan area. It allows for the planning and commencement of those projects. These are new projects that have come about as a result of the change in administration and new policy and expenditure commitments, and it is providing for the government to get on with the project—to get the planning done and to get the approvals process sorted out, if that is necessary, and hopefully to start laying

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some bricks, if that is possible, before 30 June. The government likes to think that it is possible to get on and do these things once it makes a decision. We do not like to see them held up for years and years into forward estimates, with a bit of money dribbled in and nothing happening at the end.

Hon JON FORD: There is the problem. I find it difficult to imagine how the government will be able to spend \$8 million between now and 30 June. The title of clause 3 is “Authorisation of expenditure to make payments in respect of extraordinary or unforeseen matters or to make advances for certain purposes”. That expenditure might fit under “certain purposes”. However, the government is seeking to allocate \$8 million for something that is relatively minor compared with the royalties for regions program, and there is a cost. It does not matter whether the government does spend that \$8 million between now and 30 June; it has still been approved by this place. What would be the interest that the state would incur on that \$8 million?

Hon BARRY HOUSE: To deal with the last point first, the interest cost is assuming that we would need to borrow money to finance this facility. In answer to a previous question, I mentioned that it is not anticipated, or it is very unlikely, that a loan bill will need to be introduced to allow for that. In the unlikely circumstance that such a loan bill is required, it will be introduced with the budget in May. The \$8 million is the best estimate that Treasury has been able to provide that it will cost to get these police stations underway—the planning, the design, the approvals process, and, as I said, the construction costs. The member would know better than anyone else that the construction costs in the north of the state, in places such as Mt Magnet and Fitzroy Crossing, are a good 40 per cent above normal. They are significantly higher, are they not?

Hon Jon Ford: They are 30 per cent higher, on average—probably more.

Hon BARRY HOUSE: I am just hazarding a guess, but I would say that each police station would cost around \$15 million. We can expect this project to appear in the budget papers under a series of years. For this current year, it will appear as expenditure, and the best estimate is that it will amount to \$8 million. We may find that it comes in at \$6.3 million, or something like that. Next year’s allocation may be another \$8 million, and in the following year it may be a couple of million dollars. I am just giving a hypothetical situation. That \$8 million—the member is finding it hard to believe; I can see that—is the best possible estimate that Treasury has come up with. Just to give the member an example, in the *2008-09 Government Mid-year Financial Projections Statement*, the figure for new police stations and upgrades for the current year is \$3 million, with an anticipated build-up to \$15.2 million in the following year. The figure for new police stations constructed in the south metropolitan area is \$10 million over two years. That is just one related item of expenditure to give the member a bit of an idea about the sorts of costs that are involved.

Hon JON FORD: The point I was making carried on from what Hon Ken Travers was saying. I was using it as an example. The parliamentary secretary might claim that there is no interest payment involved, but there is always a payment down the track. I find it incredible that the parliamentary secretary reckons that the government will spend \$8 million on these projects by 30 June. If it is not going to spend the money by 30 June, it should not be in this bill, which Hon Ken Travers would have said by way of interjection had he been sitting in his seat. It also means that the money cannot be spent on something else because the money is tied up. This is at a time when the government is asking agencies to look for a three per cent efficiency dividend. It may be that other programs should be accommodated. I am surprised that the Department of Treasury and Finance would be so accommodating with that amount of money. I can remember asking for some money to save some fish. The recommendation from Treasury was that, unless I could demonstrate that the fish species would be extinct in three months, I should wait another three months before I asked for the money. I have always kept that piece of paper because I thought it was a classic recommendation from Treasury—“Do we really need snapper?”

In the end, the government makes the decision and Treasury tries to make sure that the money is properly spent. We will wait and see. The parliamentary secretary has not convinced me with his argument that the government will spend the \$8 million. I will travel to Fitzroy Crossing in June to see if any groundwork has been done and whether a replacement police station is being built. I will come back to Perth pretty quickly to remind the parliamentary secretary if that is not the case.

I was interested in the allocation for royalties for regions. The Minister for Health recently announced a major upgrade for the Nickol Bay Hospital in Karratha to be paid for from the royalties for regions program. I am wondering if that is an allocation within the amount of money in the Treasurer’s advance.

Hon BARRY HOUSE: I may be able to clarify a bit of information about the police stations. The amount allocated for the Mt Magnet and Fitzroy Crossing police stations is \$3 million for planning and getting organised. The other \$5 million is allocated to the south metropolitan region police station. If I misled the member a little, I apologise. It is an overall figure of \$8 million for those three police stations across the whole region.

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I make one last point about the interest and cost for this. If the money is not needed, it is not drawn. If there is no need for the state to borrow to raise that money and hence start paying interest on it, there is no extra cost because that money will be in the state's coffers anyhow. This bill is authorising the use of it.

My understanding is that Nickol Bay Hospital is a project identified in the royalties for regions program and it will be funded from the \$337 million allocated for the royalties for regions program as a pro rata expenditure item in the current financial year.

Hon JON FORD: Up to a point; I was not really agreeing to the blank cheque principle, because I always expect some line items and a bottom figure. It just seems that there is a big whack of contingencies. If money is allocated to contingencies, I understand it is only spent if it is drawn on, but the authorisation is there to spend the money. It also affects the ability to look at the programs we might want to put in the next budget, because we still have to take into account what has been allocated, even though it is not spent. That is the point I was making. The parliamentary secretary is right; it is pretty easy to spend \$3 million in the Kimberley, but I will still go up there and check the bricks. When a project in another portfolio, such as health, is allocated for royalties for regions funding—normally a hospital would be in the health capital budget—where does it sit in regard to the progress? Is it transferred across to health, or does it sit under royalties for regions? Who is the minister responsible for the expenditure?

Hon BARRY HOUSE: In the case of the hospital, expenditure will appear in the capital expenditure under the Minister for Health, but the allocation of funds will come through the royalties for regions program under the Minister for Regional Development. The responsibility for that capital project rests with the Minister for Health.

I was trying to think of an analogy for draw-down accounts. As members, we all have access to certain money, and, in a sense, it is similar to our charter allowance as country representatives. It is a draw-down account that we get to use only if we need it. There is a bit of a difference, because we lose it at the end of the 12 months; we do not actually get it in our hand. It is basically use it or lose it.

Hon JON FORD: This will be my last question on this line. I understand that in this example the project sits in the budget of the Minister for Health, so that is where the expenditure goes. If that budget blows out, so that there is an escalation in costs, as there was for the Mandurah Marine Operations Centre, does the minister go cap in hand back to royalties for regions, or is there a standard allocation or request for money through the expenditure review committee process?

Hon BARRY HOUSE: The minister responsible for that capital project—in this case, the Minister for Health—would, as I understand it, go back to the expenditure review committee in cabinet with a request, and that decision would be made at that level. I do not know whether the extra funds would be provided from the health budget or from the royalties for regions budget or through some other means, or whether the minister would be able to loosen the pockets of Treasury, but I think the member understands the process, having been there.

Hon ADELE FARINA: About an hour and a half ago I began to ask the parliamentary secretary a question about the Busselton jetty. I think I asked him to repeat an explanation he had given earlier in the evening, but I think that might be an unfair question now because it was that long ago that he may not recall the exact nature of the explanation he gave earlier. I refer to the document titled “Excesses and New Items — the Treasurer’s Advance 2008-09”. At page 3, under the entry for the South West Development Commission, it lists the figure for the Busselton jetty refurbishment as \$12.1 million. Can the parliamentary secretary explain what that \$12.1 million comprises?

Hon BARRY HOUSE: Listed on page 5 of the first document is an amount of \$12.1 million.

Hon Adele Farina: Is that the one that is titled “Forward Estimates Control”?

Hon BARRY HOUSE: That is the summation. The Busselton jetty refurbishment item is just a dot point, basically. A few other items are included under that dot point, and the Busselton jetty refurbishment is only one of those items. The following items are listed about one-third of the way down the document entitled “Forward Estimates Control”, which I tabled at the member’s request, with my arm twisted: the election commitment for the Balingup main street, \$250 000; the redevelopment of the Collie town centre, \$500 000; and the Busselton jetty refurbishment, \$8 million. There is a second figure of \$3.3 million for the Busselton jetty refurbishment, which is the previous government’s commitment. The by-line for that figure states “Media and Marketing, Consulting and Advertising Savings”. We want to get beyond the media and marketing; we want to fix the jetty.

Hon ADELE FARINA: The item for the Busselton jetty refurbishment listed on the “Excesses and New Items” document is not actually \$12.1 million for the Busselton jetty refurbishment. It is for the Balingup main street and the redevelopment of the Collie town centre. There is a sum of \$8 million for the Busselton jetty refurbishment and then it lists another sum of \$3.3 million.

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Hon BARRY HOUSE: Yes, that is correct. The figure for the Busselton jetty is \$11.3 million, but that is just a global amount, as that item was used as a dot point, as it were, to highlight the most significant figure. The member now has the full detail, which has been tabled.

Hon ADELE FARINA: How does that relate to page 102 of the *Government Mid-year Financial Projections Statement*, which lists only a sum of \$8 million for the Busselton jetty refurbishment?

Hon BARRY HOUSE: The previous government committed \$12 million to the Busselton jetty. The \$3.3 million in that document is part of the previous government's commitment to the Busselton jetty for this financial year. The incoming government committed another \$12 million on top of the total amount. The \$8 million itemised in that document is the portion of the new commitment that the current government has made to add to the commitment that the previous government made.

Hon ADELE FARINA: Does that mean that this government is allocating only \$8 million of that \$12 million in 2008-09, with the additional \$4 million to be allocated in 2009-10?

Hon BARRY HOUSE: Yes, Hon Adele Farina is right. The whole \$12 million has not been allocated immediately because it probably could not be spent between now and 30 June.

Hon Adele Farina: Nor can the \$8 million that has been allocated.

Hon BARRY HOUSE: That may be so, given that tenders have only just been let.

Hon Adele Farina: You already have the \$12 million we allocated that needs to be spent. Projected works always take two years.

Hon BARRY HOUSE: There is a lot of money to be spent before 30 June, so they should get on and fix a fair portion of that jetty.

Hon ADELE FARINA: We are dealing with a project that will be constructed over two years. A sum of \$12 million was allocated by the former government, which would have been the amount required to be spent in this financial year if works had commenced in summer, as they were expected to. The government has now added another \$8 million in this financial year, which is not likely to be spent, but, in any event, this Treasurer's Advance Authorisation Bill deals with the granting of an additional \$8 million for the jetty. Is that correct?

Hon BARRY HOUSE: I think we will get the cash flow for the member by tomorrow if we can, because, at this stage, I am not in a position to say whether the \$3.3 million is the tail end of the \$12 million commitment or the beginning of it. I am in a position to indicate to the member that the \$8 million is the commitment for this financial year from the additional \$12 million. The amount of \$4 million will come next year on top of that. The Labor government's commitment may well be split into a couple of tranches over a couple of years. If the member is happy, we can get the cash flow figures and relay them to her.

Hon ADELE FARINA: I will be away on parliamentary business tomorrow morning. I need to try to get this resolved now. I do not understand whether the \$8 million that is being sought as part of this bill is part of this government's commitment or \$8 million of the former government's commitment.

Hon BARRY HOUSE: It is \$8 million of this government's commitment.

Hon ADELE FARINA: If that is the case, if this bill is not passed, I take it that \$8 million is not available for the Busselton jetty?

Hon BARRY HOUSE: If that were the case, that would be one of the things that would have to be considered by the government. If that money were needed, it would not be available for the government to spend it. It is the same as saying that if this bill is not passed, the \$100 million allocated through the royalties for regions program to local authorities throughout the state would not be available, or not only the salary increases but also the salaries of public sector employees would not be paid. That money would be available for only a certain period, which, from my understanding, is towards the end of April, or early May at the latest. If this bill is not passed, there will be no money to draw on. The bank will be bare.

Hon ADELE FARINA: Can we stick to the Busselton jetty rather than speak generally about other areas because I am trying to understand exactly where we stand today. How much money has been allocated to the Busselton jetty as of today's date, assuming that the bill is not passed?

Hon BARRY HOUSE: In the *Pre-election Financial Projections Statement* of August 2008 the expenses for 2008-09 for the Busselton jetty refurbishment and foreshore revitalisation was \$6 million.

Hon Adele Farina: Six million?

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Hon BARRY HOUSE: Six million, with \$6 million for the subsequent year, 2009-10. That was the allocation under the previous government. Hon Adele Farina knows that there has been a policy change. The decision on the jetty refurbishment project has been separated from the decision on the foreshore revitalisation project. It is a policy decision that our government took.

Hon Adele Farina: I understand all that.

Hon BARRY HOUSE: Yes, Hon Adele Farina has been right in the middle of it, so she understands that. We therefore cannot tell exactly which portion of the \$6 million would have been specifically allocated to the jetty this financial year, as it was also tied up in the former government's policy involving the foreshore revitalisation. A portion, therefore, of that \$6 million may well have been spent on the foreshore revitalisation as well as the jetty; I do not know. It is hypothetical and I suspect that neither Hon Adele Farina nor I would be able to say which portion of those projects would have been spent on the foreshore revitalisation.

Hon ADELE FARINA: Can I just clarify one aspect? As of today, the whole \$24 million that is being committed to the jetty is not available. The government actually needs the Treasurer's Advance Authorisation Bill 2009 to be passed and an additional \$4 million to be allocated in next year's budget to make up that \$24 million that has been committed. That is how I read these documents. I am just asking whether that is correct.

Hon BARRY HOUSE: Yes, in broad terms that is correct. The whole \$24 million is not in a bank account somewhere at the moment with "Jetty Fund" written on it to be drawn down; it can be drawn down as required. The best estimate that Treasury has been able to provide is contained in the allocation made in last year's budget, \$6 million from the previous government; made in the pre-election financial commitments, which has remained the same, and now in the midyear review because the policy decision had been changed.

Hon Adele Farina: I think the \$3.3 million actually relates to part of the former government's \$12 million commitment.

Hon BARRY HOUSE: Yes.

Hon Adele Farina: But the \$3.3 million was coming directly out of the South West Development Commission budget.

Hon BARRY HOUSE: Yes.

Hon Adele Farina: I think that is what that is, if my understanding of it is correct.

Hon BARRY HOUSE: I too think that is correct. We are guessing a little, but we will undertake to get as best we can an up-to-date cash flow.

Hon Adele Farina: I thank the parliamentary secretary.

Hon BARRY HOUSE: However, we should not get paranoid about these situations, because no capital project that is undertaken by the state gets allocated an actual lump of money with the comment, "Here is \$100 million to build a railway." The funding is provided as needed, piece by piece over a period of years.

Hon ADELE FARINA: I want to clarify one last matter. In today's *Busselton-Dunsborough Mail* the Treasurer is quoted as saying that the state government made the \$24 million available to the Shire of Busselton very early on for the Busselton jetty, and that the shire has had access to these funds for almost six months. That statement by the Treasurer is actually incorrect because, from what the parliamentary secretary has just told me, the \$24 million was not available six months ago and in fact is still not available today.

Hon BARRY HOUSE: It is budgeted to be drawn, so it is available but it is not simply available for the Busselton jetty —

Hon Adele Farina: He says it has had access to these funds for almost six months.

Hon BARRY HOUSE: Yes, it has access.

Hon Adele Farina: Then why is it included in the authorisation bill, if the government does not need authorisation to spend that money?

Hon BARRY HOUSE: It requires the Treasurer's authorisation and —

Hon Adele Farina: So, it was not available six months ago?

Hon BARRY HOUSE: If this bill is not passed, the Treasurer will not be able to organise a cent for the Busselton jetty. Would the member rather have the \$24 million available in a managed way, whereby a certain amount can be spent this year and a certain amount spent next year for the completion of the project? That is

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pretty standard, I would have thought, for any project because the money is available. The money has been allocated and it will appear —

Hon Adele Farina: No, it is not available. The parliamentary secretary has just said —

Hon BARRY HOUSE: That is one item I am prepared to go out on a bit of a limb with. It will appear in this year's budget—there will be an item for the Busselton jetty.

Hon Ken Travers: So, the parliamentary secretary can tell us what is in the budget!

Hon BARRY HOUSE: On that item, I am pretty confident I can, because it has been announced pretty widely.

Hon Adele Farina: But not for the whole \$12 million.

Hon Ken Travers: That is one that I have heard been announced —

Hon Kate Doust: You are at the wrong coffee shop.

The CHAIRMAN: Order, members! Let us just go back to the coffee shop.

Hon BARRY HOUSE: But even Hon Ken Travers' announcements—one of them was \$20 million, I think, was it not?

Hon Ken Travers: There is \$20 million in the budget, and the announcement yesterday put it over five years. I am suggesting to the parliamentary secretary that the government will only spend \$1.7 million this year.

Hon BARRY HOUSE: That may be the case; that is not unusual. The member has been around long enough to know that when we read budget documents, we see that certain amounts and projects are announced in the budget. Governments are good at announcing a \$100 million project on housing or a hospital or whatever, but members know that there is not \$100 million allocated for that project right there and then with the announcement. Members know that for the —

Hon Adele Farina: But those announcements do not actually say the shire has had access to the \$24 million for the past six months, which is what he said, which is clearly false.

Hon BARRY HOUSE: It is not false because the shire has —

Hon Adele Farina: It is false because this bill has not passed; the government does not even have access to the money.

Hon BARRY HOUSE: The shire has access to that money. Some members probably do not know the Busselton jetty as well as other members —

Hon Ken Travers: We heard you broke it!

Hon BARRY HOUSE: I was actually a member of the Busselton shire council in 1987 when we took a very brave decision to take over the management of the Busselton jetty, which was a state asset at that time. The state wanted to spend \$500 000 to demolish it. Therefore, the Busselton shire said that instead of demolishing the jetty, the state government should give the shire the management rights and the \$500 000, and the shire would manage it. Now with the help of a fantastic community over many years —

Hon Kate Doust: It is going to cost \$24 million!

Hon BARRY HOUSE: Without that commitment over the past 20-odd years, the jetty would have fallen into the sea a long time ago. There is no doubt about that. Therefore, the community has done a fantastic job and the shire has taken the management decision. I know there has been argy-bargy between the shire and the state government, and I know there is frustration and everybody simply wants the jetty fixed. There are different ways of going about it and I will not argue that point. However, I think both of us share the same view that we want to see the jetty fixed.

Hon Adele Farina: Absolutely, and I want Hansard to write that down. I am 100 per cent in support of the money being made available to the jetty refurbishment, but it is just that the Treasurer is taking a bit of licence in the statements that he is making and he has misled the community.

Hon BARRY HOUSE: The money is available. After the —

Hon Adele Farina: No; the shire has not had access to it for the past six months and it cannot have access to it until the government passes this authorisation bill.

Hon BARRY HOUSE: They have access to the bulk of the money—that is, \$11.3 million up to 30 June—and after that they have access to the whole lot.

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Hon KATE DOUST: First, I will pick up on the parliamentary secretary's great excitement for jetties. I hope that in due course when the Palm Beach jetty needs to be rebuilt, he will be just as enthusiastic in supporting that.

It is interesting that the parliamentary secretary made some comments about the need to pass this bill and if it does not get through in a certain period the money will not be in the bank. Perhaps if the government had decided to come back six to seven weeks earlier, we would not be in the position where it is pressuring both chambers to process this bill in an expeditious manner.

Earlier the parliamentary secretary commented on the replacement police station in the South Metropolitan Region. Am I right in assuming that the \$5 million that was referred to relates to an election commitment, and the police station referred to is possibly in the state seat of Jandakot?

Hon Barry House: I do not know the location. The member would know better than I.

Hon Simon O'Brien: Why would Hon Kate Doust make that assumption?

Hon KATE DOUST: That was the only police station promised for the south metro area.

Hon Ken Travers: It will not be built anywhere in the south metro region because the police commissioner does not think it is necessary.

Hon KATE DOUST: I thank Hon Ken Travers for his help; that was my next question. I understand that in a public hearing recently the Commissioner of Police stated that he did not see any need to locate another smaller police station in the South Metropolitan Region as that did not fit in with operational purposes and that the police are now moving towards having hub-type centres—one might be located in Cockburn or one in Fremantle; and there is one in Cannington. I would assume that it would be located somewhere in Jandakot. Does that mean that this election commitment will not be met? If it was an election commitment, I do not understand why it is extraordinary and unforeseen and why it could not have waited until the budget. I suppose it is all academic now if the police commissioner says we do not need it, in which case I would expect the \$5 million to go back into funds.

Hon BARRY HOUSE: I am sure these matters are currently under discussion between the Minister for Police, the Commissioner of Police and the cabinet, and we will see the outcome of those discussions when it appears in the budget in some form.

Hon KEN TRAVERS: I turn to the education and training item in the summary provided to members, which shows \$48.4 million for capital works as additional funding that is required. However, the *2008-09 Government Mid-year Financial Projections Statement* lists an election commitment, and rather than capital works, it is recurrent funding: \$6.3 million for the Better Behaviour in Public Schools program, \$100 000 for the sports leadership program, and nothing for the boarding away from home allowance. However, the election costings proposed \$2 million for behaviour management, \$4.5 million for the boarding away from home allowance, and also \$35 million for the increase in teachers' pay, which is mentioned in "parameters", but does not seem to be included anywhere in "additional expenses" for the Department of Education and Training, although I am aware that quite a few staff within the Department of Education and Training would come under the GA4. Therefore, I am also interested to know what is the impact for the Department of Education and Training of the GA4. Maybe the first question I should get the parliamentary secretary to answer is: how much of the global GA4 amount does the Department of Education and Training require?

Hon BARRY HOUSE: The estimated cost of the general salary increments in the education and training department is \$19.4 million.

Hon Ken Travers: That is above what was budgeted, so that is equivalent to the agencies that have had GA4 money given to them on the same basis. That is \$19.4 million —

Hon BARRY HOUSE: That is over and above what was budgeted. In relation to the costs associated with the enterprise bargaining agreement with the state's teachers, in the first year, on the assumption that the education department would meet in full its three per cent efficiency dividend, those savings would be applied to the costs associated with the EBA.

Hon KEN TRAVERS: I am not even going to attempt to argue whether the department will make its savings. However, the parliamentary secretary is telling me that there is a \$35 million parameter change for the teachers' EBA; \$19.4 million for the GA4; plus another \$6.3 million for the Better Behaviour in Public Schools program; and the \$0.1 million for the sports leadership program. I am not sure why there is nothing for the boarding away from home allowance, even though the government was promising \$4.5 million this year. Just on the figures that the parliamentary secretary has given me, it amounts to about \$60 million. The estimated saving for the

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efficiency dividend, even if the department can achieve it, is only \$45.6 million, so where does the other \$15 million come from?

Hon BARRY HOUSE: Obviously, Hon Ken Travers is quoting from a document that I do not have in front of me. Perhaps I could ask him to table that document.

Hon KEN TRAVERS: Of course I can.

The CHAIRMAN: Can Hon Ken Travers identify the document?

Hon KEN TRAVERS: The document that I am quoting from is half a document, which is the Liberal Party alleged election costings.

The CHAIRMAN: I want some description of it so that we know what it is.

Hon KEN TRAVERS: At the top it says “Education and Schools”, and it is authorised by B. Morton, 640 Murray Street, West Perth.

[See paper 686.]

Hon KEN TRAVERS: Even on what the parliamentary secretary has told me, \$19.4 million and \$35 million add up to \$54 million. If we go back to the midyear review document, there is another \$6.3 million, which takes the amount to \$60 million. Even if the department makes all of its savings, the amount is \$45 million. I would have thought that the department will require another \$15 million, and I am trying to understand why that is not included, without trying to get into an argument with the parliamentary secretary about whether the department will make its savings or blow its budget in other areas.

Hon BARRY HOUSE: The best thing I can do is take that on notice and get those figures to the member tomorrow, because I am assuming that we might still be debating this bill tomorrow.

Hon KEN TRAVERS: I might quickly go back to the question we discussed a bit earlier about unforeseen and extraordinary circumstances.

The CHAIRMAN: I am happy for the member to raise that issue —

Hon KEN TRAVERS: I understand the time. Maybe the parliamentary secretary can go away and come back tomorrow to give me a better answer. He said that the intention in contemplating the form of words that has been adopted was to provide the broadest scope to a government to undertake new initiatives, given that it is impossible to anticipate what they might be, and that in the event of an emergency or disaster, it may not be practical to seek Parliament’s endorsement of such expenditure. I am not sure that that is what the bill says. The circumstances were articulated in another form in section 27(1) and (2) of the Financial Management Act 2006. That is correct, but section 27(3) states —

Expenditure may be authorised under subsection (1) or (2) only to make payments in respect of extraordinary or unforeseen matters.

My reading of the explanation provided by the parliamentary secretary earlier today is that he is reading subsections (1) and (2) and completely ignoring subsection (3) of section 27 of the Financial Management Act. I would like him to provide tomorrow an explanation of what items he thinks do not fit under the description of unforeseen and extraordinary matters. At the moment it appears that everything fits into that category under his definition. He certainly seems to be ignoring section 27(3).

Hon BARRY HOUSE: In brief, the intention is to give government the ability and flexibility to make decisions.

Progress reported and leave granted to sit again, pursuant to standing orders.