

**STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

2014–15 BUDGET ESTIMATES HEARINGS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
FRIDAY, 15 AUGUST 2014**

**SESSION TWO
DEPARTMENT OF THE PREMIER AND CABINET**

Members

**Hon Ken Travers (Chair)
Hon Peter Katsambanis (Deputy Chair)
Hon Martin Aldridge
Hon Alanna Clohesy
Hon Rick Mazza**

Hearing commenced at 1.32 pm

Hon PETER COLLIER

Leader of the House, examined:

Mr PETER CONRAN

Director General, examined:

Mr DAVID SMITH

Deputy Director General, examined:

Ms KATHRYN ANDREWS

Acting Assistant Director General, examined:

Mr PETER PRIDE

Chief Finance Officer, examined:

Ms MICHELLE REYNOLDS

Executive Director, Office of Science, examined:

Mr ROBERT KENNEDY

Acting Executive Director, Strategic Projects, examined:

Mr THOMAS LEEMING

Executive Director, Community and Human Services, examined:

Ms MEGAN INGLIS

Acting Principal Policy Adviser, examined:

The CHAIR: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I would like to welcome you to today's hearing. If I can firstly ask if each of the witnesses have read, understood and signed a document headed "Information for Witnesses"?

The Witnesses: Yes.

The CHAIR: Thank you. Witnesses need to be aware of the severe penalties that apply to persons providing false or misleading testimony to a parliamentary committee. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private either of its own motion or at the witness's request. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia, and the committee values your assistance with this.

For the benefit of members and Hansard, could each witness state their full name and the capacity in which they appear before the committee.

[Witnesses introduced.]

The CHAIR: Does any witness wish to make an opening statement? If not, we will move straight to questions. Hon Martin Aldridge.

Hon MARTIN ALDRIDGE: I refer to page 74 of budget paper No 2 and the heading “Service Summary”. The first item under that heading is administration of executive government services, for which the budget estimate for 2014–15 is \$106.614 million. I refer also to page 77, which lists a number of dot points under service 1, “Administration of Executive Government Services”. Would the minister be able to tell me what proportion of that funding is allocated to the dot point “administration of entitlements for Members and former Members of Parliament”?

Hon PETER COLLIER: We can get that information but we would need to take it on notice.

[Supplementary Information No B1.]

Hon MARTIN ALDRIDGE: Would that dot point include the provision of staff, officers and entitlements—those sorts of items? Would that be correct?

Hon PETER COLLIER: Yes.

Hon MARTIN ALDRIDGE: I refer to page 76, which lists the outcomes and key effectiveness indicators of the agency. Under the outcome “Executive government receives appropriate support”, the figure for “Targets for support services are met or exceeded” was 94 per cent for both the estimated actual in 2013–14 and the budget target in 2014–15. How does the department measure that key effectiveness indicator?

Hon PETER COLLIER: Mr Conran.

Mr Conran: This indicator reports the percentage of essential services delivered within the designated time frames. Data for this indicator is derived from transaction records maintained by the department on a range of essential services provided to the Premier and ministers, all of which bear equal importance. The timeliness of service targets has been determined based on resources available to each service, and client expectations.

Hon MARTIN ALDRIDGE: I know that the minister is not able to give me the quantum of funds allocated to the service “Administration of Executive Government Services” so far as that relates to members of Parliament, but would it be fair to say that that would comprise quite a considerable element of the service delivery to the department?

Mr Conran: I think that is actually another area. The executive side relates principally to ministers and the Leader of the Opposition. I am looking to see whether there is a correction from any of my staff, but I believe that is the case. If there was an explanation as to precisely what the member would like the information on, we could look to see whether we can take that matter on notice, but I just need some clarification in relation to that matter.

Hon MARTIN ALDRIDGE: I guess the clarification is that page 77 outlines what services the department administers under “Administration of Executive Government Services”, and that includes the administration of entitlements for members and former members of Parliament. I know that the minister is not able to give me a definitive response in terms of the \$106 million that has been allocated for that function of the department, but I would think it would be considerable given the number of staff and officers and the like. My question relates to how you measure the key effectiveness indicator “Targets for support services are met or exceeded”. My experience has been that there is no measurement of service delivery, that I can see, in relation to the administration of entitlements for members and former members of Parliament.

[1.40 pm]

Hon PETER COLLIER: I think we might have something for you.

Mr Conran: Through the minister, in relation to the average cost of entitlements per average member, the entitlements are determined by the Salaries and Allowances Tribunal. Costs included

in entitlements are: running cost of electorate offices, including lease expenses, electorate office staff; members' vehicles; imprest; travel entitlements; entitlements for former members; and the salary of the assistant to the party Whip. There are 95 members, and I think we divide the overall cost by 95 and we get those figures in relation to the average cost of support provided. The average cost of support provided per member includes: administration of entitlements; three research officers for minor parties; vehicle costs for four parliamentary officeholders divided by the number of members. They are the methodologies we use. I am not sure if there is a survey of members, specifically. The indication is that there is not a specific survey of members. Mr Kennedy may also provide a bit of history in relation to this issue, if you are comfortable with that, minister?

Hon PETER COLLIER: Yes, much so.

Mr Kennedy: Through the minister, my understanding—and it predates my time in the department—is that there used to be a survey undertaken of members of Parliament around their satisfaction with the services provided by the department but, after consultation with Treasury and the Office of the Auditor General, that indicator was abandoned because of a poor response rate from members of Parliament. The OAG indicated to us that we were not getting enough responses back from members to make it a viable indicator—that was several years ago.

The CHAIR: You might find that you get a better response these days. You never know your luck, if you are game enough.

Mr Conran: There are alternative views.

The CHAIR: I am sure you would get a response.

Hon MARTIN ALDRIDGE: I take your point. On page 77, there is the average cost of entitlements per member and the average cost of support per member. I have added those two figures together and multiplied them by 97, and it is just under \$37 million. About, roughly speaking, one-third of the budget estimate for administration of executive government services relates to the services provided to members of Parliament, would be the assumption I am making now. I am just wondering how effective the key effectiveness indicator is for that section when one-third of the services that you are providing are not actually measured? You have reached your 94 per cent target for last year, and you have budgeted again a 94 per cent target for this year, but there does not seem to be any way of measuring, recording or seeking feedback in terms of whether or not you are meeting or exceeding the targets for service delivery.

Mr Conran: These key efficiency indicators are determined in consultation with the Treasury and oversighted by the Auditor General as well. If I might just take on board your concerns, member, and have a chat to Treasury in relation to the issue to see if there is any way of improving that indicator.

Hon MARTIN ALDRIDGE: That would be appreciated. We had the Parliamentary Services Department appear before the committee this morning, and they obviously do an annual survey of members. It would be interesting to know what the uptake of that survey is, to address Mr Kennedy's of non-response from members. However, one of the common themes that they reported to us this morning was the split of services between the Parliament and the Department of the Premier and Cabinet, and they reinforced in the hearing this morning that it is a perennial issue that members are raising with them year on year. It is interesting that they are getting that feedback through their survey. Certainly, they are going to look at the way that they craft future surveys to perhaps gather further information from members in relation to that in the absence of the Department of the Premier and Cabinet seeking that information.

Mr Conran: Through the minister, I might simply make a comment in relation to that issue. There has been a long-term discussion in relation to whether the servicing of members should be through the Department of the Premier and Cabinet or through Parliamentary Services. I do not have a particular view in relation to the issue; however, I should advise you that when the last time this

issue was considered, the Parliamentary Services Department considered it needed an extra \$20 million per year to service what they considered to be parliamentarians. I do not imagine that there will be a great deal of willingness to allocate an additional \$20 million per year, which was the estimated cost that Parliamentary Services considered was necessary; but that is an issue for debate, and that is probably all I can say.

Hon MARTIN ALDRIDGE: Thanks, Chair, I have finished on the topic.

Hon PETER KATSAMBANIS: I have a couple of questions around some of the significant issues impacting the agency, on page 74. Both the minister and the director general probably know my interest in preserving and enhancing the legacy of Anzac generally. But in relation to the issues that are articulated there in the significant issues, firstly around the legislative changes: what are the legislative changes that are required to the Anzac Day Act and when are they likely to see the light of day?

Hon PETER COLLIER: We can talk about the changes to the act in a moment; suffice to say that there is an enormous amount happening in this space, particularly with Albany in October. But I will get Mr Kennedy to comment on the specifics with regard to the act.

Mr Kennedy: Through the minister, unfortunately, I do not have the exact detail about the amendments or the time frames involved. I think we would be able to get that information on notice.

[Supplementary Information No B2.]

Hon PETER KATSAMBANIS: I would appreciate that. That would be helpful. It is outlined there, on page 74, that there is going to be a series of events. I understand there is a lot happening in the space. What events have been programmed to happen around the Fremantle departure? I would be interested in that.

Hon PETER COLLIER: With regards to the Fremantle departure—we can talk at length about Albany, of course—but I refer the question to Mr Kennedy.

Mr Kennedy: I am happy to talk about Fremantle. The key celebrations obviously are around the dates of 30 October, 31 October and 1 November. The 1 November date is the key date in Albany. But for Fremantle, cadets and students from schools in the area are bivouacking at Blackboy Hill commemorative site on the Thursday evening. A community event will be held at Greenmount primary, with activities and storytelling about life at the Blackboy Hill training camp, which, for those who are not aware, was the initial training point for soldiers before they left for the World War I campaign, for the Gallipoli campaign. On Friday, 31 October, there will be a campfire breakfast at Blackboy Hill commemorative site, a march by the cadets and students from Blackboy Hill to Bellevue RSL, and then a commemorative train journey from Midland train station to Fremantle train station—that will be the cadets and students on board the train. I understand they are also organising for schools along the line to come out and be present when the train goes past. Then there are planned commemorative services at Fremantle port following that train journey. The only other thing I have to say is that we thank the City of Fremantle, who have been very helpful to the department. I believe the member for Fremantle as well has been helping us with arrangements there. The city has been very supportive in terms of waste management, traffic management, free parking and logistical support in Fremantle.

[1.50 pm]

Hon PETER KATSAMBANIS: So there will be a major public event in Fremantle?

Mr Kennedy: Yes. What I have outlined are the events that are planned. I do not have any more detail on the actual Fremantle part. There will be a commemorative service, but I believe it might be the City of Fremantle who are organising those details. I am told that they are developing a website

for the event, but I do not have a website address for that yet. If you would like us to get you some more information, we can get you that on notice.

Hon PETER KATSAMBANIS: Perhaps, because it is not far away, so if there are going to be public events, it would be good for the public to start knowing about them and planning around them.

Mr Kennedy: Certainly.

[Supplementary Information No B3.]

Hon PETER KATSAMBANIS: In relation to the event that has been flagged around the giants, is the Department of the Premier and Cabinet the lead agency in relation to that series of public events?

Mr Kennedy: I believe it is Tourism and EventsCorp who are the lead agency on that one. We are certainly involved, but I understand they are the lead agency.

Hon PETER KATSAMBANIS: Is there an actual date for the public event?

Mr Kennedy: Around the giants?

Hon PETER KATSAMBANIS: Yes.

Mr Kennedy: I believe there is, but I have not got that detail with me, sorry.

Hon PETER KATSAMBANIS: I am sure we will find out in time with that one, because it will be very big.

Mr Kennedy: I believe that is not going to be around the hundredth anniversary in October and November; I believe that is for Anzac Day or around Anzac Day next year.

Hon PETER COLLIER: It is early next year.

The CHAIR: I am a big supporter of things to do with giants!

Hon PETER KATSAMBANIS: I am not sure whether you will be participating, Mr Chairman.

The CHAIR: I hope I should be an honorary representative member!

Hon PETER KATSAMBANIS: Around Anzac Day and other associated events that will happen on the other side of the world, will Western Australia have an official representation there outside of the national government representation, or is that only going to be led by the federal government?

Mr Conran: My understanding is that it is all being led by the national government. I know that we have got some schoolchildren attending as part of that delegation, but I also know that the heads of state governments are not going to that event; rather, it is a commonwealth event. That is an understandable thing, and the various Premiers are doing their respective state hundredth commemorations. We do have a delegation of schoolchildren from Western Australia, and of course a number of other Western Australians who are invitees of the federal government.

The CHAIR: When you say “schoolchildren”, is that the tradition—I think it goes back to the Gallop government—of selecting a group of schoolchildren?

Hon PETER COLLIER: Yes. I think it is 40 this time. I am almost certain it is 40, so it is a bigger group and a broader cross-section.

The CHAIR: They originally used to be accompanied by a bipartisan group of members of Parliament. Does that still occur?

Hon PETER COLLIER: No. That stopped a number of years ago, apparently. I cannot recall when, but it certainly has not happened in the past two years.

The CHAIR: So is it just teachers now who accompany them?

Hon PETER COLLIER: Yes, a couple of teachers go with them.

The CHAIR: But they will be part of the official commonwealth celebration?

Hon PETER COLLIER: Yes.

Hon PETER KATSAMBANIS: Is it envisaged that the veterans portfolio and the Veterans Advisory Council and all the other things that have been put together around veterans will continue on after the centenary of Anzac commemorations are finished?

Hon PETER COLLIER: Yes.

Hon PETER KATSAMBANIS: Has the state government done any planning around the seventy-fifth anniversary that is coming up in 2016 of World War II events, in particular things like the Battle of Crete, which Western Australians were particularly actively involved in, or is it too early to get involved in that?

Hon PETER COLLIER: There is nothing official that I am aware of.

Mr Conran: I am not aware of anything.

Hon ALANNA CLOHESY: When we are provided with a list of events, can you outline what events or activities are specifically planned to commemorate women's role in the services and in the centenary of World War I?

Mr Conran: Can I take that on notice? I know we do have a range of things planned for that, but, unfortunately, I do not have our adviser on this matter, Richard Muirhead, available. I think he may actually be in Albany. But I will raise that issue with him and ensure that the information is provided to you about all of the events, and whether there is anything in particular in relation to women.

Hon ALANNA CLOHESY: I would particularly like the full range of those, and Indigenous soldiers.

Mr Conran: I know there is a specific program with Indigenous soldiers. I might also point out, albeit in a somewhat different sense, that the giants program is focused on the young girl at the lighthouse at Albany. So that is a prime focus of the giants event as well.

Hon ALANNA CLOHESY: I am also looking particularly at women's systemic involvement in the services as well as Indigenous people's involvement.

[Supplementary Information No B4.]

Hon ALANNA CLOHESY: I might change the topic completely, if you like. I refer to the Premier's visit to Zambia earlier this year. Did any of the dinners, official meetings or formal proceedings involve any Western Australian-based companies and/or their African-based subsidiary companies?

Mr Conran: I am not certain of the answer to that, and I will take it on notice. I know that the Premier gave a brief ministerial statement or a broader statement on that issue, which may contain that information. I anticipate that there will have been some involvement, noting that when he was in Zambia he signed a MOU between the state government and a group known as COMESA, which is the Common Market for Eastern and Southern Africa. The objectives included sharing knowledge and technology between Western Australia and the COMESA states across the fields of mining, petroleum and agriculture. We do know, of course, that there are enormous amounts of mining work undertaken by WA interests. I would assume that at that event—I was not there, but there were groups there. But I will see what detail I can provide in relation to that issue.

[2.00 pm]

Hon ALANNA CLOHESY: When you give that supplementary information a number, could I also have in that supplementary information which companies, who from those companies and what their positions were in those companies?

Mr Conran: As best as can be provided.

The CHAIR: I understand what you are asking for is: on the trip to Zambia, the list of companies, who was there and what their positions were, and what the issues that were raised were. Is that it, just to be clear?

Hon ALANNA CLOHESY: Yes.

[Supplementary Information No B5.]

Hon ALANNA CLOHESY: While in Zambia, did the Premier make any representations, formal or informal, on behalf of Western Australian companies or any of their African-based subsidiary companies?

Mr Conran: I am not in the position to answer the details.

Hon PETER COLLIER: Not that I am aware of. But, again, we can take that on notice.

[Supplementary Information No B6.]

Hon ALANNA CLOHESY: This might enlighten you a little bit. Are you aware that some executives from Zambezi Resources told the Zambian media that they were meeting with the Premier?

Hon PETER COLLIER: No, I am not aware of that.

Hon ALANNA CLOHESY: And the Premier has denied that.

Hon PETER COLLIER: What was that; sorry.

Hon ALANNA CLOHESY: And the Premier has denied that. Are you aware that these claims were made to the media?

Hon PETER COLLIER: Who made the claims; sorry?

Hon ALANNA CLOHESY: Some executives from Zambezi Resources.

Mr Conran: I am going on a recollection. If I am correct, there was a photo published of a person who indicated they had meetings and that identified that they had meetings, and the Premier has indicated that was not correct; that there was no such meeting taking place. It was potentially only a photo shoot. That matter has been dealt with by the Premier. Again, I am going on recollection, but I think there was a very firm denial in relation to that issue.

Hon ALANNA CLOHESY: Perhaps, if you are going on recollection, we might actually take that as supplementary information.

[Supplementary Information No B7.]

The CHAIR: Why would you have a photo shoot if you were not meeting with someone? Maybe that is something you may not know the answer to, but you could take on notice. It just seems odd. Normally, photo shoots are of people you have met.

Mr Conran: I know just recently the Queen had a photo shoot with individuals—photobombing these days seems to be a regular feature. Indeed, I know, being recently in China with the Premier at the visit with the Prime Minister and other state Premiers, that there were so many photos taken with individuals who would be otherwise unknown to any of the parties there, and there could well be a claim made by any of those parties as to, “See; I am close to X. I met with that person in China” or whatever.

Hon PETER COLLIER: We will follow up on that one.

Hon PETER KATSAMBANIS: The selfie is alive and well.

The CHAIR: So it was a photobomb!

Mr Conran: A photobomb!

Hon PETER COLLIER: Perhaps.

Hon ALANNA CLOHESY: Does the Premier support Zambezi Resources Kangaluwi copper resources mine project in Zambia?

Mr Conran: I am not in a position to make any comment other than to again refer to some fairly strong denials by the Premier in relation to this issue. I would not like my uncertainty on the issue to be taken as suggesting that the Premier in any way endorsed anything in relation to a company.

Hon ALANNA CLOHESY: In which case we will have to take that as supplementary information.

The CHAIR: That is about the support for that company and its mine.

[Supplementary Information No B8.]

Hon PETER KATSAMBANIS: Again, I think it this under the heading “Significant Issues Impacting the Agency”, of which there are a lot. On page 76, I refer to the support in relation to the commonwealth’s National Commission of Audit white papers on federalism, taxation reform and northern Australia. The National Commission of Audit has obviously been and gone, but what work is being conducted on behalf of the Western Australian government in relation to—I think it is no longer called the federalism white paper; I think it is called the Federation white paper, or whatever its terminology is. Could you please inform us about that, specifically around taxation reform?

Mr Smith: The National Commission of Audit, as the member indicated, has been completed by the commonwealth. That was released on 1 May. The commission made a number of recommendations, many of which were addressed by the commonwealth in their commonwealth budget this year. There are a number of aspects, including on commonwealth–state affairs, that the commonwealth has indicated it will pursue in consultation with states and territories through the preparation of a white paper on Federation. The terms of reference for that process have been subsequently released by the commonwealth—I cannot remember the exact date, it was a couple of weeks ago—and there is now work progressing among commonwealth, state and territory government officials in the preparation. The process, if I might outline it, as we have been advised by the commonwealth, is that leading up to the preparation of a white paper, which the commonwealth expects to release at the end of 2015, they will produce a series of issues papers, which they are doing now, to invite public comment and engagement on a number of issues. I think there are four—perhaps five—issues papers that are proposed. One is generally on the Federation and issues that arise in relation to commonwealth–state interaction. There are some specific topics: health, education. There is one other I cannot recall off the top of my head, and also one on federal financial relations, which has some tax aspects, obviously. Those issues papers will be produced and progressively released over the next couple of months for periods of public comment. They will then feed into a green paper, which is the normal predecessor to the white paper. Then the green paper itself will be released for public comment probably in early 2015. That is the timetable the commonwealth has outlined. And then, in light of comments received on that, the commonwealth will prepare their final white paper. In parallel to that white paper on Federation, there is also a white paper the commonwealth is preparing on tax issues. They have made the point, and states and territories have also emphasised the close links, obviously, between the Federation white paper and tax reform white paper. I do not think the commonwealth process on the taxation white paper is as far progressed, at least as far as it has been revealed to us, as the white paper on Federation.

[2.10 pm]

Hon PETER KATSAMBANIS: I think already the time line that you just indicated around the Federation white paper is more than I have been able to get from the commonwealth so far, so

thank you for that. I think people here are aware that I made my own submission to the National Commission of Audit, and I am interested in making submissions to this new process, and I am sure the government itself is interested in doing likewise. So at least you have actually provided a little bit of clarity to the process that the commonwealth so far have not been able to provide me, so thank you for that. But in relation to Western Australia's own position on this, will the submission Western Australia makes be public or will we simply participate as an advisory body, if you like, outside of public submissions?

Mr Smith: We are yet to make a decision on that. Obviously, with the state, we expect and so far have been engaged, if you like, in discussion with the commonwealth in the preparation of the papers. We will provide comments almost on a continuous basis through that, or expect to, through the COAG-type processes. There may be an opportunity—I guess it will be a decision for the government to make at the time as to whether or not a formal state submission is required at any point in those sort of processes. But, as I outlined, there will be plenty of opportunities for the state to do so and for other interested parties.

Hon PETER KATSAMBANIS: Okay.

Mr Conran: Minister, if I might make one point —

Hon PETER COLLIER: Yes.

Mr Conran: — just to assist in relation to guiding a view in relation to that issue. The WA government's submission to the National Commission of Audit has been published and a copy of that is on the department's website. So that might give you a guide as to the thinking in relation to issues as well.

The CHAIR: Is one of those areas of consideration in that process infrastructure funding?

Mr Smith: I do not think that has been identified as a topic for one of these issues papers. I think the terms of reference, from memory, refer to quite a long list of additional issues that were to be expected to be addressed, and infrastructure is one of those.

The CHAIR: It strikes me that one of the big issues for Western Australia, with a growth economy, with demand still continuing to grow that economy, that infrastructure funding would be something that we would be putting front and centre. It is a lot easier for the commonwealth to fix rather than trying to get agreement with six other states and territories; it just requires the federal government to agree. Are we doing any work as a state on identifying whether we are getting our fair share in terms of infrastructure funding? I know there has been a continual growth from the dark days of the Howard–Costello years when I think it was down at three or four per cent of the national infrastructure expenditure in areas such as roads. We are doing better now, but I think we are still not, say, anywhere near our contribution to the national GDP or anything like that. So, I just wondered what work has been done internally to identify that as an issue and to work out what we would think, as a state, is a fair share for WA to be receiving in terms of infrastructure funding.

Mr Conran: David might add to this issue. Of course, infrastructure funding is an important issue for Western Australia, and the comparisons that are generally made are broader than population share, and I think we are probably close to population share at the moment—I have not looked at the figures lately, but its contribution to the economy as a whole, which is important. But there is an equally important, if not more important, issue, and it goes beyond infrastructure funding. You mentioned the issues of growth. It is providing the services to meet that demand, whether they be health or education services. So, it is the growth in schools—yes, you can get funding for schools and yes, you can get funding for roads and yes, you can get funding for the construction of a hospital, but it is the cost of running those facilities that gives the long-term cost to the state, which means that unless the issue of the grants commission's relativities are addressed, the challenges for Western Australia will become greater. Now, you can address part of that problem by getting more

on the infrastructure side, but it does not address the underlying problem that does need to be addressed if this state is going to have the ability to meet its recurrent —

The CHAIR: I am not suggesting you give up on an argument for greater relativities, but if you have got to find \$6 billion or \$7 billion a year to go into infrastructure funding in capital works, and you have to borrow that—I am not sure what the current interest bill is; I think it is about a \$1 billion a year now in terms of interest payments. If we are not having to cover that, we do have greater capacity to fund some of those ongoing costs. I think the Premier once said he does not care what bucket the money comes in, so long as we get the money. I would suggest, and it is obviously easier—to get the relativities changed, you have got to get the agreement of six states and the commonwealth to get greater infrastructure for shares so that more of the money that we do get out of the GST is able to be applied to recurrent services. It does actually still improve the situation, and all you need to do to achieve that is to get the agreement of the federal government. You do not have to worry about the pesky other states that are bleeding off us.

Mr Conran: In one sense you are correct, but not entirely. This is an issue played out regularly between the states. One state gets a bit of funding and the other state says, “Well, hang on. Is that being included in the base for determination of relativity?” So you can get a billion dollars, and in Western Australia’s case you might get a billion dollars, and if it is taken into account for grants commission purposes, that can be redirected back again unless you have got an exclusion from those. Those exclusions are usually given to Tasmania, but they are less likely to be given to other jurisdictions.

The CHAIR: My point is that the person who gives those exclusions is the commonwealth government. So, if you have not got their agreement to do that, then your chances of ever getting their agreement to change the relativities is even more diminished, is it not?

Mr Conran: In part, you are correct, but I can assure you, with New South Wales getting what we regard as a disproportionate share, we are certainly in touch with the commonwealth to say, “Well, hang on; how are these being taken into account in the context of relativities?” But David might correct me if I have got any errors there; that is all.

The CHAIR: Do we have a view about whether New South Wales is getting a disproportionate share of infrastructure funding at the moment? Have we done that analysis?

Mr Conran: It is very hard to determine what is a disproportionate share.

The CHAIR: I can tell you now: as a shadow Minister for Transport, when I see the amount of money that is being spent on the east coast, in Brisbane, Sydney and Melbourne, on road projects compared to what is being spent in Western Australia on important links, such as between Perth and Port Hedland, which are actually the goose that is laying the golden egg for Sydney, Brisbane and Melbourne, my sense is that it is not proportionate. We are barely getting, as you mentioned earlier, population share let alone the contribution to the national economy share.

Hon PETER COLLIER: That is a valid point. From an educational perspective, they definitely get a disproportionate share on the east coast—by far.

The CHAIR: I did not think you and I would disagree on this, minister!

Hon PETER COLLIER: Absolutely!

Mr Conran: And I might also add on that, minister, in relation to the Gonski matter, the arrangement that was entered into with New South Wales under the Gonski deal would have significantly punished Western Australia, because they got a very specific exclusion from the grants commission processes, which would have significantly disadvantaged Western Australia. I think that was the point that the Minister for Education made on a number of occasions.

The CHAIR: I will leave those. As Tony Jones would say, “They are some comments for you to consider in the future about maybe doing some more work on infrastructure funding.”

The other one that I am interested in is the airport rail line. Why are we building an asset on commonwealth land and what lease agreements will we have with the commonwealth; or, if that leads to an increase in the value of the commonwealth land, are we expecting them to return some of that increased value that they will obtain by us building infrastructure on commonwealth land at Perth Airport?

[2.20 pm]

Hon PETER COLLIER: It would just be probably a commentary as opposed to a government policy decision at this stage. Obviously, it is something you might like to take up with —

The CHAIR: That is the best way policy gets initiated, minister!

Hon PETER COLLIER: You might like to take it up with the Minister for Transport, but I do not know if there is —

The CHAIR: My point is that it goes to the issue of commonwealth–state relations. We are building an asset on land that is owned by the commonwealth that will enhance the value of that commonwealth land. I would have thought that is something that would actually then be taken up as part of a debate around commonwealth–state relations. I do not know whether there are too many other locations where we would be making an investment in commonwealth-owned property, that enhances that property, without expecting the commonwealth to contribute. It should be part of that commonwealth–state debate.

Mr Conran: Minister, through you, I am not an expert on this issue, but I think the arrangement at Perth Airport is that Perth Airports Corporation holds the long-term lease over that. I suspect that benefits go with it that might flow from the issue. That is a matter, I think, which is more the subject of a discussion between the persons negotiating on behalf of the government and the Perth Airports Corporation. There might be some residual benefits to the commonwealth. I do not have the complexities of that lease arrangement, but I think you have given us a policy idea.

The CHAIR: I would say that you are right in so far as the initial stages, Perth Airport will capture that value. There will be a point where the lease on the Perth Airport land needs to be renegotiated and it will be well before the exclusion of the completion of the current lease. The fact that there has been an uplift in the value of that asset by the construction of the railway, would be something that the commonwealth would be capturing at that particular point in time.

Mr Conran: One would hope that Perth Airports Corporation recognises there is value to them in relation to the issue.

The CHAIR: That is probably an issue for Transport and I hope they have secured that as part of their negotiations, but, then again, we did not secure anything for the location of the new stadium from the beneficiaries, so it may not.

The other one I wanted to touch on in relation to commonwealth–state relationship is the treatment of gambling revenue. That is an area of constant debate about how gambling revenue is treated. Is that something that is being discussed? Obviously, in WA we do not have poker machines and, thankfully, on a bipartisan basis I do not think there is—I have only ever found a very small exception of MPs that do not support that bipartisan view. But there is always a debate about how those revenues are treated in terms of distributing commonwealth–state money. Is that an area that we as a state are taking up and arguing that we should not be penalised because we do not have poker machines?

Mr Smith: If I may, I have not been involved in any recent discussions with it, but you are right; the issue has been a perennial one for the state.

The CHAIR: In your past capacity you probably know it better.

Mr Smith: Yes—and one that, through successive state governments, we have been probably frustrated about the lack of ability to get any change. I think it has been part of the black box that the Commonwealth Grants Commission process is for it. It is hard to break into that black box to get changes made. There is a process going on at the moment. Every five years, I think it is, the Commonwealth Grants Commission does a major review of its methodology. That is due next year in 2015, so they are in the final throes of the current review. They have just released, I think last week, their methodology paper outlining where they propose to make changes. I am just afraid I do not know whether or not in that they have addressed the issues of gambling that I am sure we have raised through that process.

Mr Conran: I might add, as I recall—I am looking at the document now—the issue was actually mentioned in our Commission of Audit, but I cannot find that. However, I can tell you that those issues in relation to infrastructure that you raised were specifically raised in the submission to the Commission of Audit as well. I know quite specifically that the Premier, as has nearly every member, continually pointed out that WA gets punished for its very sound policy in relation to gambling.

Mr Smith: There are a number of issues, and gambling is one, that have been long-term issues for the state, which has led, I think, to the proposition of the current government that really what is needed here is a major reform of the GST arrangements. For a long time we have been frustrated about trying to get changes made in individual areas and, as you said earlier, doing that process through individual arguments through individual states is very difficult. Getting overall reform is still difficult, but it is better to go for a big-bang approach than individual changes, perhaps.

The CHAIR: My final point in this area of commonwealth–state relations, rather than revenue, is that I read an article that claimed the Premier had indicated that we were actually rejecting commonwealth funding in some areas because the strings attached are so complex and the expectation is we will put in money. Can you expand upon what are these areas where we are rejecting money? I assume it goes to commonwealth partnerships or national partnership agreements between the states and the commonwealth.

Hon PETER COLLIER: It goes back to the Gonski funding and the national partnership with Gonski. The actual funding—the first offer from the federal government on Gonski—was not satisfactory for us. It was \$188 million over six years, but that was an issue in itself. The reason that we rejected that offer was not so much the offer itself. It did mean that there were going to be changes to the Australian Education Act, which meant that the governance of our schools came under the jurisdiction of the federal government, and we were not prepared to go down that path. The previous government did up the offer, which was quite significant, to \$600 million—still the lowest of the states—but they refused to change the governance requirements in the Australian Education Act. That is why we did not sign up to Gonski because there were strings attached to that new national partnership. I had discussions with the previous government about this, with Bill Shorten personally, and right toward the end there he was more receptive to making those changes to the Australian Education Act. It was not forthcoming, of course, and there has been a change of government. They have now been removed or they are now in the process of being removed and, therefore, we have signed off on the Gonski money.

The CHAIR: This was a more recent article where the Premier indicated we have now stopped accepting national partnership money. What agreements are they that we are refusing to accept?

Hon PETER COLLIER: There is another one—this may be what it is referring to, and we are yet to sign off on this at this stage—but I know that the Premier and I are at pains to not go down the path of accepting money for the new autonomous schools program from the federal government. In essence, we have got the independent public schools system, which is operating very well and is the basis upon which the federal program is being developed. There was \$70 million, I think, in the pie for that model. I think it was about \$7 million from the federal government for Western

Australia. Again, we got parlous little in comparison to the other jurisdictions, but there were, again, some conditions upon accessing those funds. It might have been nice but, at the same time, our independent public school system is something that has been nationally applauded and we did not want to get into a situation whereby accepting \$7 million, quite frankly, in a \$4.6 billion budget meant that we were then conditional upon some requirements as far as the federal autonomy model was concerned. That is from an education perspective. I am not sure if there are other instances in some other portfolio areas.

[2.30 pm]

Mr Smith: I do not have a list in front of me, but there are other NP arrangements where WA is not a signatory.

Mr Conran: I might add something further in relation to that. There are sometimes good reasons why, from a state perspective, you indicate you will not sign an NP and will reject it. A classic example of that was when Prime Minister Rudd, in his first term, proposed significant changes to the health system, with considerable funding potentially coming to the states. The price of that was for Western Australia to give up a significant proportion of its GST revenue, albeit a significant portion of a diminishing amount. Western Australia is the only jurisdiction that held out in relation to that. There was a subsequent change of leader at the federal level and there was a much greater understanding of the Western Australian position. The other states, in fact, joined Western Australia in relation to that position. My experience in negotiating with the commonwealth and for the commonwealth tells me that you are often significantly better off to hold out and maintain a position from which you can actually argue quite strongly.

The CHAIR: I understand that. It is not unusual. Probably when you were on the other side, WA held out on the national water agreement at one point and ultimately got a better deal as a result of it. I understand that. Maybe I might ask whether it is possible to get a list of the national partnership agreements that exist—those where WA is a signatory to it and those where we have either rejected it or we have indicated we intend to reject it. We did get some information from Treasury on this, but I would not mind getting an update, from your perspective as DPC, on where we expect the federal government will discontinue funding for those national partnerships. That is the other side of it. As they are expiring, we are finding that the feds are not re-engaging. Maybe you could get that list of those where they ceased since the last federal election in that regard. Can we get some figures on the anticipated financial loss in relation to those agreements that have either ceased or that we expect will cease at the end of their current life?

[*Supplementary Information No B9.*]

Mr Conran: It will be very difficult for us to indicate where we expect the commonwealth to —

The CHAIR: Sorry; where they have indicated to us that they intend to. We are aware that they have not included money in their budget. I guess there is always a chance of a government deciding at short notice to change, but where there is either a formal indication from them or we have identified that there is no money in the budget for that partnership to agree to continue after a certain date.

Mr Conran: Again, I think we can get close to that. The commonwealth will indicate that they will not provide further money. That is not always the end of the issue.

The CHAIR: That leads into my final question in this area. What has been our means of communicating with the commonwealth over the rejection of our joint funding arrangements? Where we have just made the decision not to accept a joint funding arrangement, how have we communicated that to the commonwealth government?

Mr Conran: I cannot speak on behalf of all ministers. Generally it is via correspondence, via discussion—via bureaucratic discussion, I think —

The CHAIR: Is it done at the ministerial level rather than through DPC?

Mr Conran: Sometimes. For example, with education, we do not deign to tell the education minister how he might conduct his negotiations with the commonwealth. If he needs our assistance, he will ask, and he does, but it is not our role to take on those issues. We certainly give guidance to departments. They keep us informed.

The CHAIR: If there is a general position that we have adopted, maybe you could take on notice what happens on a government-to-government basis rather down to the individual ministries. I am not asking you to get a list from every minister. At a government-to-government level, have we had any communication with the commonwealth about the systemic issue rather than individual specific partnerships? If you have been involved in a specific partnership, I would not mind how you have communicated that, but also at that broad strategic or oversight level, what communications have you had with the commonwealth, or how have you done it?

Hon PETER COLLIER: You will find, as I said, that most of the national partnerships are discussed at COAG in a broader context. I can only speak from my perspective. When it comes to education, I deal with it. We will see if there is any more generalised information.

The CHAIR: I get that at your level there are minister-to-minister discussions, but noting the Premier's comments in the media, it struck me that you would also expect that there is now a more general whole-of-government approach to how they are going to deal with that. I thought that might be communicated to the commonwealth at a broader government level. That is what I am asking for.

[Supplementary Information No B10.]

Mr Conran: There are some difficulties, but we will respond in an appropriate way.

The CHAIR: I am happy for you to briefly outline what you think might be the difficulties.

Mr Conran: It depends on the matter before you. We are obviously in discussions regularly through Treasuries and through the heads of Premiers and cabinet meeting—I think we call it a senior officials meeting. Our deputies meet on specific issues. We raise the broader issue of the Grants Commission through Treasury. We will sometimes raise those. Ministers will specifically raise those. You are very familiar with the various ministerial councils. The general direction from COAG is that matters should be dealt with through ministerial councils.

The CHAIR: I accept that point. If it has not been done at that higher level of basically Premier to Prime Minister, as in, “Prime Minister, WA's not happy so we are now going to be adopting a far more strict approach in terms of rejecting those partnerships because of the relationship we have”—if that has not occurred, just give me that answer. That is all I am saying. I am not expecting you to go off and try to get from the individual ministers every conversation or debate they have had. The Minister for Education has given us a reasonable overview, and we hear that updated fairly regularly in the chamber, so I am comfortable with that. It was more at that higher level of government to government. It is probably a good thing we did clarify that if you were thinking of chasing too far down.

Hon ALANNA CLOHESY: The director general of the Department of Racing, Gaming and Liquor visited Macau recently as a guest of Crown. I was wondering whether you were asked to provide any advice as to whether that trip should have been taken with funding from Crown or as a guest of Crown.

[2.40 pm]

Mr Conran: That is not a matter of my responsibility. Those matters would be generally dealt with by the Public Service Commissioner.

Hon ALANNA CLOHESY: So your department does not get asked for advice by other departments or by other ministers, particularly around matters of propriety? Your department does not provide advice to other ministers.

Mr Conran: Occasionally we might be asked, but not in this instance. All of those matters would normally be matters for the Public Service Commissioner. If a matter came to me, I would generally refer everything to the Public Service Commissioner. I might comment on something, but I would expect Mal Wauchope to deal with those issues. Creating the separate Public Sector Commissioner's office was a deliberate decision made when the split of DPC occurred.

Hon ALANNA CLOHESY: For matters of ethics and propriety.

Mr Conran: Yes.

The CHAIR: Do they also handle the issues with lobbyists?

Mr Conran: Yes.

The CHAIR: Is it correct that you still maintain the register?

Mr Conran: No, the register is maintained by the Public Service Commissioner, too.

Hon MARTIN ALDRIDGE: Page 73 of the *Budget Statements*, "Spending Changes", shows an amount over four years for the relocation of two ministerial offices to Dumas House. Which ministerial offices are those?

Ms Andrews: It is Minister Francis; but the other one has escaped me.

Hon MARTIN ALDRIDGE: Is it Minister Baston?

Ms Andrews: Yes, it is Minister Baston; my apologies.

Hon MARTIN ALDRIDGE: With the exception of the Premier, are they the last two ministers not located in Dumas House?

Hon PETER COLLIER: No. Bill Marmion is at Allendale Square.

Hon MARTIN ALDRIDGE: This is a spending change, so it may be additional money, perhaps. Why is it spread evenly over four years? I would have thought the relocation costs would be up-front in the year that they relocate?

Ms Andrews: I did not think they were spread over four years. The CFO might be able to shed some light there.

Mr Pride: The \$3 million cost of relocation is the fit-out cost in Dumas House, and, as such, it is a cost incurred this year. There will be a depreciation charge over a period of time. The significant cash cost is in the 2014–15 year.

Hon MARTIN ALDRIDGE: So, the spending change here is probably a reflection of the depreciation costs?

Mr Conran: We might take that on notice, unless during the course of this hearing I can get that information clarified. I think it is a depreciation issue.

Mr Pride: Yes.

Mr Conran: I am told it is.

Hon MARTIN ALDRIDGE: That makes sense; thank you.

Page 77 shows some efficiency indicators for the average operating cost per ministerial office and average cost of support provided per ministerial office. Can you explain to me the difference between operating cost and support to the office?

Ms Andrews: The operating cost obviously includes sections of rent—operating costs of the offices as such. Support includes the administrative cost of the units that support ministerial offices, such as

the ministerial support unit within the department and the chauffeurs that look after the ministers, so that is a much smaller portion.

Hon MARTIN ALDRIDGE: The services that DPC centrally provide to the ministerial offices is captured in the support, and the direct office costs, including FTE and other costs would be the operating costs of the office.

Ms Andrews: They were rolled up in that operating cost; that is correct.

Hon MARTIN ALDRIDGE: Those numbers obviously include the office of the Leader of the Opposition. How is the Leader of the Opposition funded?

Ms Andrews: I do not believe the Leader of the Opposition is included in those numbers.

Hon MARTIN ALDRIDGE: The *Budget Statements* suggest he is.

Mr Conran: Yes, he is.

Ms Andrews: Okay. I will pass how that is apportioned to the CFO.

Mr Pride: For clarification, the average cost for ministerial offices includes the Leader of the Opposition, and we have a proportionate mechanism that allocates the effort of the department into providing support to that office, and that includes things such as rent, outgoings and some minimal support in other HR capacities et cetera.

Mr Conran: I might add that as I understand the situation, we do not, as a department, apportion to each minister or to the Leader of the Opposition a specific budget, simply for the reason that ministers' offices change—they may pick up or lose a portfolio or there might be a change of minister or Leader of the Opposition.

The CHAIR: I doubt it!

Mr Conran: Rather, we have a global budget. I am not suggesting anything!

The CHAIR: I suspect it is more on the other side than ours!

Mr Conran: We do not apportion it; rather, we have a global figure and then allocate between the offices, and then, if we need to move some notional money across, we just move some money around. It would be far too difficult to apportion it out to an individual minister's office. It simply would not be worth the effort.

Hon MARTIN ALDRIDGE: My questions were more about the Leader of the Opposition than about ministerial offices. Are there any hard and fast rules about opposition resources, minimum number of FTE and budget?

Hon PETER COLLIER: There is an allocation to the Leader of the Opposition. I am not sure of the exact number, but it is the same; the vote has not changed.

Mr Conran: I think it is 13 or 14 FTEs. I must say that every Leader of the Opposition has been very good in maintaining control over those issues, and we never really have any challenges in relation to FTE-related issues.

The CHAIR: Does that suggest that some ministers do not comply as well?

Mr Conran: No. I must say that it is quite easy to deal with ministers' officers. All ministerial officers and Leader of the Opposition officers have a lot of challenges and we, as a department, try to do what we can so they can do their jobs, and I think both sides of politics are aware of that.

Hon MARTIN ALDRIDGE: At page 79, your asset investment program shows somewhere in the order of \$300 000 for electorate office equipment upgrades over the next three financial years. Could you tell me what equipment is being upgraded in those three financial years?

Mr Conran: I might be corrected by my finance people, but the regular replacement of office equipment is generally for photocopiers and ICT network in electorate offices. I might also point

out that funding for electorate office accommodation upgrades and relative electorate changes is dealt with generally through supplementary funding; and if we consider there is a specific need in relation to electorate offices, we look to see whether we should seek to get supplementary funding or whether there are resources within the department that would enable us to meet those demands.

Hon MARTIN ALDRIDGE: It is essentially a rolling program of renewal of machines as they reach their use-by date et cetera?

Mr Conran: I understand that is the case.

Hon MARTIN ALDRIDGE: Just below that is “Ministerial Office Accommodation — Dumas House”, which is obviously the \$3 million that the chief financial officer spoke about in relation to the two new ministerial offices

Mr Conran: Yes.

The CHAIR: Have you finished your questions, Hon Martin Aldridge?

Hon ALANNA CLOHESY: I have a question.

The CHAIR: Is it on this point?

Hon ALANNA CLOHESY: Well, it is on resources to electorate officers.

The CHAIR: I am just looking at the time. I am happy to give you the call, but I was going to suggest that we break now and come back at three o'clock, if we have a natural break.

Hon ALANNA CLOHESY: Let us break now.

The CHAIR: We will just have a 10-minute break and come back at three o'clock.

Proceedings suspended from 2.50 to 3.02 pm

Hon ALANNA CLOHESY: I might go to electorate officers first. When we last met, a staff relief allocation of 150 hours per office per year had just been implemented on a calendar year rather than a financial year; is that correct?

Mr Conran: Yes.

Hon ALANNA CLOHESY: How many MPs have asked for additional relief above the 150 hours due to their office exceeding that, and as result of special circumstances, whatever they might be?

Mr Conran: I might be able to respond to that, although not necessarily specifically to all your questions. The number of electorate officers who have accessed relief are 55 members; that is, 38 MLAs and 17 MLCs. The number of electorate officers who have exceeded the 150 hours per calendar year is four; the number of members provided with relief under special circumstances is 22; and the number of members' applications for additional relief that have been rejected is zero.

Hon ALANNA CLOHESY: How many are getting close to the 150-hour mark? For example, how many currently have fewer than 10 hours' relief available to them now?

Mr Conran: I am not in a position to answer that. I do not believe Kath Andrews, who has the area, is either. We could take that on notice. I might indicate, anecdotally, from my staff who look at this issue, that they are very pleased with the results that have been achieved with the approach taken by members. Obviously, they have been able to accommodate, I think, just about every instance. I know of—indeed I approved—one yesterday that was potentially a difficult one under special circumstances. I am not aware of any particular members raising specific issues of being totally unsatisfied with it; there may have been, but it has not come to my attention. I am not sure that Kath Andrews is alert to any of those particular issues being raised by members. She may have that knowledge, with a much closer relationship with the area that deals with it, but I might just check with her.

Hon ALANNA CLOHESY: Just before we go on to that, can I take as a supplementary the number of MPs who are close to using their 150 hours of relief; that is, those who are, say, 10 hours or fewer away from using their 150 hours of relief? Will you take that as a supplementary?

Mr Conran: Yes.

[Supplementary Information No B11.]

The CHAIR: Are we notified when we are getting close to using our relief budget, because I have no idea where my office is up to?

Mr Conran: I think you are regarded as pretty good on these issues.

The CHAIR: I am glad to hear that!

Mr Conran: I may be wrong!

Ms Andrews: Yes, we obviously keep stats on this. It is a workload for us in doing that, but as I understand it we do keep stats on that, and on when people are getting close. From the feedback I have had from the manager of human resources, there have not been any issues raised with her about this; it has just been circumstances as they have arisen. It is normally, obviously, when you have somebody off on holidays, and then the one person left in the office has an unexpected illness, and that is usually the circumstances around special relief. Obviously, that is why there has been a very good response from the department in granting relief in those circumstances. But it has generated significant savings to the department.

Hon ALANNA CLOHESY: Yes, I am well aware of that.

Ms Andrews: To government.

Hon ALANNA CLOHESY: What are the total hours of additional special relief that have been provided?

Ms Andrews: I do not have statistics on that, sorry, but I can get those for you.

[Supplementary Information No B12.]

Hon ALANNA CLOHESY: Did we allocate a number for that other supplementary that I asked?

The CHAIR: Yes, it is B11 for members' hours of relief budget; and B12 is for the —

Hon ALANNA CLOHESY: Is for this one about how many total hours of additional.

The CHAIR: Yes.

Hon ALANNA CLOHESY: What is the range of circumstances that additional relief has been requested for?

Ms Andrews: Sorry, I do not have the data on that; I only have anecdotal advice from our manager of human resources, who says it is primarily for sickness of the remaining relief officer.

Hon ALANNA CLOHESY: Can we get that as supplementary as well?

Ms Andrews: Given that there have only been 22 circumstances, I think that does not generate —

Hon ALANNA CLOHESY: It should make it easy.

Ms Andrews: Yes.

[Supplementary Information No B13.]

Hon ALANNA CLOHESY: You talked about the fact that it has actually taken some resources to get this system up and running. What additional resources have been required by the department?

[3.10 pm]

Ms Andrews: Only, of course, maintaining those records of hours by the payroll officers in terms of maintaining the balance of the 150.

Hon ALANNA CLOHESY: Has it required additional resources to do that?

Ms Andrews: Not additional resources, because, obviously, there are resources freed up as a result of not processing all that relief beforehand, so it is offset. But not any additional resources have been sought or required.

Hon ALANNA CLOHESY: Compared to last financial year and the total hours of relief taken, what are the total hours of relief taken in the last 12 months?

Ms Andrews: I have not got hours, I am afraid—not here.

Hon ALANNA CLOHESY: Could we get that as supplementary?

Ms Andrews: Yes. That is for this calendar year so far?

Hon ALANNA CLOHESY: It is going to be hard to do like with like, but can we do a comparison of the same point in time, so from 1 January to 30 June compared with last year, 1 January to 30 June?

Ms Andrews: Okay.

[Supplementary Information No B14.]

Hon ALANNA CLOHESY: Can I move on to a different aspect of electorate office resources. How many members of Parliament who have put in a request to have an office in their region are still not accommodated with that?

Ms Andrews: In terms of relocations are you talking about or actually established —

Hon ALANNA CLOHESY: As offices. Last time we met there were a number of members of Parliament who still did not have an electorate office in their region who had requested one.

Ms Andrews: There is probably one member, I would say, who is temporarily accommodated in an office. Everyone else has an office.

Hon ALANNA CLOHESY: So there is only one left?

Ms Andrews: One who officially has not got an office.

Hon ALANNA CLOHESY: It is 16 months into their term and they do not have an office.

Ms Andrews: Just to clarify, that member is yet to identify a suitable office.

The CHAIR: Sorry; I think we might be at cross purposes. If a member has an office, but it is based in Perth, but they have requested an office in their region, are you answering that? That was the member's question: how many members who have requested an office in their electorate are currently not in an office?

Ms Andrews: It is one.

The CHAIR: And I think the member meant in their electorates.

Hon ALANNA CLOHESY: In their region.

Ms Andrews: There is one, as I said, but he is yet to identify an office.

The CHAIR: In that case there must be two, because I am aware of at least one member who is still waiting to move into his office, and he has clearly identified it. I am sure he would not mind me mentioning it; it is Hon Darren West.

Ms Andrews: He obviously has an office here in Perth.

The CHAIR: No, and that is the point.

Hon ALANNA CLOHESY: We are talking about an office in the region as requested by the member 15 months ago.

Ms Andrews: Okay. So that is two then, including Darren West, and one other, so it is three in terms of that.

Hon ALANNA CLOHESY: So, three members of Parliament still do not have offices in their regions?

Ms Andrews: Correct.

Hon ALANNA CLOHESY: What are the circumstances around each of those? What has been the delay?

Ms Andrews: The delay with the first member was that they did identify an office in their region. It was confirmed by the Department of Finance that it was not viable to relocate to that office, and we advised the member of that. It was a similar story with the second member: they identified an office in their region, but it was identified by the Department of Finance as not being a viable proposition due to the works required to make it suitable for an office, which the owner of the property would not agree to do. So those two officers were not supported by the Department of Finance, as the lessor in these circumstances. Of those two members, one is still yet to identify an office in their region; the other member has identified an office in their region, and we are working through lease negotiations at the moment. The third member is Darren West, as the Chair has identified. He has identified an office in Geraldton. We are getting very close there. This project is managed by the Department of Finance. They issued a tender for that office on 30 July. We anticipate Mr West will be in his office at the end of October. It is a four-month process with the fit-out.

Hon ALANNA CLOHESY: A four-month process for a fit-out?

Ms Andrews: As advised by the Department of Finance, yes.

Hon ALANNA CLOHESY: Just a different matter on electorate office resources: in April, the Department of the Premier and Cabinet, I think, changed the contract for the monitoring of alarms in electorate offices. Is that what happened? Is that what caused the change to the protocols on how alarms are monitored?

Ms Andrews: Not as I understand it. Are you talking about the duress alarms or building alarms?

Hon ALANNA CLOHESY: No, the standard alarm that protects the office.

Ms Andrews: The building alarm?

Hon ALANNA CLOHESY: The office alarm, correct.

Ms Andrews: There are two aspects to this. There is the duress alarm that, obviously, we have set up in most of the offices. The duress alarm is obviously connected to the local police officers, and they respond immediately when that duress alarm is pressed. With the building alarm, the change in the process for that was due to advice we had from WA Police around building alarms in that building alarms are linked to security officers, and security officers were required to respond to those incidents in the first instance, and WA Police would only respond when contacted if there was a clear and imminent danger from the security firm. That is our understanding, just clarifying that process. I think we wrote to offices, saying that security firms were contacting electorate officers in the middle of the night saying the building alarm would go off. The concern for the department was that we did not want electorate officers exposed, going out at 2.00 am confronting whatever they were confronting. We believe that is a matter for the security firms, and that is what we pay them for. Obviously, across 95 offices, there are different security firms in the regional areas. That is my understanding.

Hon ALANNA CLOHESY: So what is supposed to happen now is that the alarm goes off and the security company goes and visits the premises, and if there is obviously a crime, they contact the police.

Ms Andrews: Yes.

Hon ALANNA CLOHESY: Why has the notification of alarms not being set been stopped then?

Ms Andrews: Notifications of alarms?

Hon ALANNA CLOHESY: So, after hours. When you leave the office and you do not set the alarm, why has the notification of the alarm not being set stopped?

Ms Andrews: I understand because that was seen as the responsibility of the electorate officers to man the alarms. In regional areas there are difficulties of what happens with that. But I would obviously have to confer with my staff to get the detail on that, if I could take that on notice. I recall a discussion, but I cannot recall the exact detail there. But I can find that out.

[Supplementary Information No B15.]

Hon MARTIN ALDRIDGE: Are there any circumstances where members would incur costs relating to security firms responding to alarms or false alarms within their electorate office?

Ms Andrews: No, the department is responsible for those.

Hon ALANNA CLOHESY: Just to be clear, this is in response to unsolicited advice received from WA Police; is that correct?

Ms Andrews: Just around the building alarm aspect, they actually sent that advice to security firms, as I understand it, and the security firms let us know that advice.

[3.20 pm]

Hon ALANNA CLOHESY: So the contract for the provision of security alarms has not changed?

Ms Andrews: No.

Hon ALANNA CLOHESY: So the only trigger was the WA Police memo or something or other?

Ms Andrews: Just clarifying their response to building alarms because of limited resources, obviously.

Hon ALANNA CLOHESY: Who has the current contract for monitoring services and alarms?

Ms Andrews: I think, as I have said, it is spread across a number of contractors.

Mr Conran: Mr Chairman, if I may, Ms Clohesy raised an issue relating to Zambezi Resources and I have contacted an officer who was with the Premier. The person you identified introduced himself to the Premier on a plane. The Premier did not know who he was. The Premier did not meet with that person. That person did on a number of occasions try to get into a photo with the Premier. Attempts were made to stop that person getting in the photo. Whether or not he did, I am advised that they thought he did not, but they very, very strongly reject any suggestion of a meeting.

Hon ALANNA CLOHESY: That may be that one person. Nevertheless, my supplementary question still stands. Thank you very much for taking the trouble to get that advice.

I am going to move to a different topic if that is okay with my colleagues.

Hon PETER KATSAMBANIS: Before you do, can I just clarify, in the discussion between Hon Alanna Clohesy and Ms Andrews, it came to my attention that you spoke about a discontinuation of those phone calls when your alarm is not set. When has this been implemented, because I got a phone call last Wednesday, I think it was, telling me my alarm had not been set at 20 to six, which is unusual in itself because there is usually someone in my office at 20 to six in the evening anyway?

Hon PETER COLLIER: You make that choice, I think, as to when you have the alarm set. This is just from my experience. You tell the alarm company when you will be leaving your office. I think you have to stipulate that or you do stipulate that. That is my understanding; it may be wrong. Then they do monitor that. I think at 20 to six it is a bit rough, but if it gets to about eight o'clock and the

alarm has not been put on, they do call. That has happened to me in the past. I do not know; it might be uniform.

Hon ALANNA CLOHESY: Since your elevation to minister, there may have been a few changes. One of them is that we have been advised, and our electorate officers have been advised, that there are no non-set alarm calls anymore.

Hon PETER KATSAMBANIS: That is why I am trying to clarify it, because I am surprised that I got that phone call for two reasons. First, I believed that was the case, too, that there were not going to be any non-set alarm phone calls anymore; and, secondly, at that time, my office is manned more days than it is unmanned.

The CHAIR: Maybe the question should be: why is Hon Peter Katsambanis getting special treatment!

Hon PETER KATSAMBANIS: That is because I am special! You know—the standard answer!

Ms Andrews: Perhaps this particular security contractor has not got that advice. I will have to check on that and get back to you as part of that answer to the supplementary question. So we will check on that for you.

Hon PETER KATSAMBANIS: I have some questions around the science portfolio and the Office of Science and the second and third dot points of the significant issues impacting the agency on page 75. The second dot point talks about collaboration in relation to the Square Kilometre Array. The way that dot point reads makes it sound as though construction will actually commence in 2018. Is that correct?

Ms Reynolds: Through the minister, yes, that is correct. We are currently at the pre-construction stage. It is anticipated by 2018 they will be commencing the build.

Hon PETER KATSAMBANIS: Getting the site ready would include site works of some sort or other. Is the state government going to contribute to those site works; and, if so, do we know the quantum?

Ms Reynolds: Through the minister, yes. The land tenure issues associated with site readiness are of some significance. There are ongoing conversations with the commonwealth government and ourselves about costings and cost caps and also proportional payments. So these are all very much matters that are being discussed at the moment. Until such time as the final configuration is known, some of these issues will not be settled, but we are very much in discussion.

Hon PETER KATSAMBANIS: Who is the ultimate decision-maker in that project? Is it the commonwealth? Is it the state government? Is it the international body responsible for operating the project?

Ms Reynolds: It was a dual-site decision, so it is shared between southern Africa and Australia. We have an SKA organisation, which is headed by officers from the commonwealth government, and the Office of Science takes the lead from a state government perspective. But it is actually the international organisation that has overall responsibility and decision-making about the SKA. That actually comprises 10 member countries: Australia, Canada, China, Germany, Italy, New Zealand, South Africa, Sweden, the Netherlands and the UK. So it is a complex governance arrangement.

Hon PETER KATSAMBANIS: The next dot point talks about the Office of Science working to raise the profile of science activities in Western Australia and the like. What are the actual projects that the Office of Science is undertaking over this current financial year?

Ms Reynolds: Thank you very much for that question. I feel an opportunity to promote that National Science Week commences on Saturday —

The CHAIR: We do charge for advertisements!

Ms Reynolds: — with the launch at the Perth Cultural Centre, which Hon Donna Faragher will be attending. During the course of the week, there will be over 200 events held across the state, where people showcase science in various ways. The Office of Science particularly has been coordinating the Premier's Science Awards, which will be held on Thursday night at the Perth Museum. There is also Science Cafe, where 300 students will come together with exceptional Western Australian scientists and talk science. In addition to that, the Office of Science also manages the science grants on behalf of the state.

Hon PETER KATSAMBANIS: Is the Office of Science responsible for any government ICT or information technology, or whatever buzzword is used to describe that area of science today, because it seems to keep changing? Is the Office of Science primarily responsible for that from a governmental point of view?

Ms Reynolds: Through the minister, no, we are not. We do have responsibility for the grants associated with the Pawsey Centre, which is a fairly significant facility for storing and manipulating big data, but that is the extent of our involvement.

Hon PETER KATSAMBANIS: Is there an overall governmental ICT strategy or coordinating body or something like that?

[3.30 pm]

Mr Conran: Through the minister, I might answer that question. Principally, the Minister for Finance has responsibility in those areas but as with ICT projects, as you will know, agencies themselves have responsibilities, particularly those that run very big systems—Health, Police, Education—a big system but not as complex as some of the others, such as Transport. We have established groups of directors general who help coordinate responses, led through the director general of Finance. They are generally made up of people with expertise in the area. I know the minister is looking at further developing those issues. There are a range of issues that need to be considered. They range from issues such as our agencies would use the Cloud, or not use the Cloud. I will call them important but lower level issues. They are issues in relation to ICT project management, the establishment of gateway-type reviews for ICT projects in much the same way as you would carry out any infrastructure project. It is one of the more challenging areas for all governments but there are coordinating mechanisms, and I anticipate the new Minister for Finance is looking to bring some further proposals to actually assist.

Hon PETER KATSAMBANIS: That is in relation to the government's own ICT needs. I appreciate that that is important. We all need to keep a bit of a watch on that, given past history in relation to coordinating services centrally. Perhaps I did not quite clarify my question but it relates more to a strategy to encourage research, development and possibly investment within the state by third parties in ICT outside of the government's own needs. Does the government have any strategy around that?

Ms Reynolds: That would be within the Department of Commerce and the division of industry and innovation, as I understand it. They have a digital economy function which would have responsibility.

Hon PETER KATSAMBANIS: "Digital economy"—that was probably what it was called 18 months ago or something. It keeps changing, as I said.

Mr Conran: I might add that, additionally, the establishment of the Pawsey Centre and ultimately the SKA does ultimately mean that if what is envisaged through that project comes to fruition, the issue of data management, which is one of the critical issues in ICT, will become very focused and world attention will focus on what is happening in Western Australia given the amount of data which will be downloaded and then considered through the powerful computers at the Pawsey Centre, and then the question of how you mine the data to advance a whole range of issues. I am no expert but I am told that the data mining issue is one of the critical issues.

Hon PETER KATSAMBANIS: I am no expert either but I have a real interest in this area, particularly from the prospect of diversifying our economy and ensuring that we can capture as much of the secondary work around the SKA, as you mentioned, with data capture, data storage, data mining, manipulation and the like within Western Australia rather than treating it as some other thing that we ship off somewhere else as well. I am sure we are all on the same wavelength; it is just a matter of how we get as much of that as possible.

The CHAIR: I am wanting to go through and ask some questions surrounding the circumstances regarding the claims for the member for Vasse's vehicle—in fact the former Minister for Transport's vehicle I think it was at the time—on the night of 22 and 23 February. Director general, when did you first become aware of the damage to that vehicle?

Mr Conran: I became aware of the damage to that vehicle when it was actually reported in the press.

The CHAIR: No-one had contacted you prior to it being reported? The first time you heard about it was when you read about it or heard it on television?

Mr Conran: Yes. I had had a call from the police commissioner on the Sunday—I think it was 9 March—to tell me that the police had received information relating to an incident, and then what transpired was the report of the incident—it is now well-known—and that there was damage to the vehicle. I cannot be precise whether I heard from the police commissioner that there had been damage to the vehicle—if it was, it was very minor—but the full report was when I saw it in the press. That is the best of my recollection.

The CHAIR: When did you talk to anyone, either in the Premier's office or other ministers or any of your other staff, about the incident? When was the first occasion that you had conversations with them about that incident then?

Mr Conran: When I was rung by the police commissioner, I contacted the Premier's staff shortly thereafter. I think I had some trouble getting hold of him; I think it was a Sunday. I subsequently spoke to the Premier's office and said, "Look, I've got this report." They seemed to be completely unaware of the issue as well. I subsequently heard that it had been confirmed there had been an incident and, as I recall, that afternoon or the next day the minister announced he would be resigning.

The CHAIR: Prior to that, had you been made aware of or contacted or had anyone indicate to you there had been any incident involving the Minister for Transport on the night of the twenty-second or the morning of the twenty-third?

Mr Conran: No.

The CHAIR: No-one had ever raised with you—I am not saying specifically about damage to the vehicle—that there had been an incident involving the Minister for Transport?

Mr Conran: No.

The CHAIR: Can I ask where we are up to in terms of the claims? Has the department withdrawn its claim with ICWA for the damage to the vehicle?

Mr Conran: I will stand corrected if I need to come back with further information: as a consequence of ICWA being advised by Mr Buswell's lawyers that they would deal with all aspects of the matter and otherwise finalise it, I think it follows that our claim is to be addressed by way of payment from Mr Tottle—sorry, through Mr Buswell. I am looking to Kat to see if there is anything more specific than that.

[3.40 pm]

Ms Andrews: RiskCover is handling this matter but my advice from RiskCover is in terms of we had advice from RiskCover regarding the member for Vasse agreeing to pay the third party claims.

RiskCover advised the department they would be writing to the member for Vasse regarding the claim for the damage to the Caprice, the government vehicle. My understanding from RiskCover is that they have written to the member for Vasse's lawyers in relation to that matter and they are awaiting a response.

The CHAIR: What has ICWA on behalf of your agency asked the member for Vasse to pay them?

Ms Andrews: They have asked the lawyers for advice regarding the damage to the government vehicle.

The CHAIR: ICWA has asked for Mr Buswell's lawyers to provide you with advice on the damage?

Ms Andrews: Not regarding payment for damage to the vehicle.

Mr Conran: For the avoidance of doubt, we expect that Mr Buswell will be paying for the damage to the Caprice.

The CHAIR: I understand that; I am just trying to understand what the process now is for that to occur. Have the panelbeaters been paid?

Ms Andrews: RiskCover has paid, as I understand it, but you would have to direct those questions to RiskCover.

The CHAIR: You do not expect to get from RiskCover an invoice from the panelbeaters? You do not know whether the panelbeaters have been paid or not yet?

Ms Andrews: That would be a matter for RiskCover.

The CHAIR: No; I understand it is a matter for RiskCover. Have they advised you as to whether they have paid?

Ms Andrews: They do not advise me on specifics of the claim, I am afraid, Chair.

The CHAIR: You are not aware of whether that has been paid is what I want to clarify.

Ms Andrews: Sorry, I am not aware of that, no.

The CHAIR: Is the department seeking anything other than the repair bills to be paid or is ICWA on your behalf seeking anything other than the cost of repairs to the Caprice to be paid?

Ms Andrews: I have not been given details of that letter to the member for Vasse's legal team about what they sought to be paid. They just said they have written to the member for Vasse's lawyers regarding the damage to the government vehicle. That is as much detail as I am aware of.

The CHAIR: I understand the member had two vehicles at the time he was a minister and then, subsequently, I guess the moment he was no longer a minister, was no longer entitled to two vehicles.

Ms Andrews: Correct.

The CHAIR: As I understand it he continued to maintain and keep his electorate vehicle, but the ministerial vehicle was not in a position to be returned to the department because it was with the police. Are you seeking from the member the cost of the lease payments on that vehicle between the time when it should have been returned and the time that it was finally returned to you in a condition you could use? Is that part of what you will be claiming from the member for Vasse?

Mr Conran: I am not sure that has been considered as yet. It may be a matter that ICWA wishes to raise, but I am not sure that is the practice. I think the practice is not to recover those lease payments. There are all sorts of accidents that public servants and others have in vehicles. I am not sure there has been an arrangement to recover the lease payments for a period of which a car may be unavailable. There may be, but I am not aware of it. I cannot otherwise provide any information.

The CHAIR: I would have thought it would be more a case of whether you as a department were seeking that rather than ICWA because you are the ones that would be out of pocket. So it would be a decision as to whether you, as DPC, would seek that money. I would think ICWA would claim it on your behalf only if you indicated that was one of the costs you had incurred.

Mr Conran: I am not aware that that matter has been considered. You have raised an issue.

The CHAIR: It is something you will now consider as a result?

Mr Conran: I will have a look at the issue, yes.

The CHAIR: Where do you expect the circumstances to go now in terms of the finalisation of these matters?

Mr Conran: Principally, I see this as a matter between the government's insurer, ICWA, the third party insurers. I think one party is not insured. I think ICWA and Mr Buswell's lawyers are working through that issue and I think that person may also be represented, so I think those parties will be endeavouring to bring resolution to those issues as quickly as possible. It is not a matter that we are involved in.

The CHAIR: As I understand it, regarding, the third party that was not insured, an offer was made on your behalf through your insurers to that third party. Was that subsequently withdrawn once Mr Buswell indicated that he would be dealing with those matters himself?

Mr Conran: That is a complexity I am not sure about. I think that is the issue that is the subject of discussion between the uninsured third parties' lawyers, Mr Buswell's lawyers and ICWA. I think those issues are being sorted out through that. I think that is the process there.

The CHAIR: What role is the department having in any of these matters?

Mr Conran: No role other than to be aware that ICWA is dealing with the matter. It deals with insurance. We do not seek to get involved in the complexities of insurance.

The CHAIR: I think it was Ms Andrews who actually submitted the initial claim to ICWA. Is it common for Ms Andrews or someone in the department to submit claims on behalf of the actual driver of the vehicle?

Mr Conran: I might answer that question and then Kath Andrews might provide additional information if I have got something wrong. In relation to this incident, I was obviously aware of the damage to the vehicle. I was also aware that there were potentially third party claims. We had not recovered the vehicle so we were in something of difficult situation. Mr Buswell was still on personal leave. As best as I can recall, shortly before the claim was lodged, I discussed the matter with Kath Andrews. I said, "I think we need to progress a claim in some way." And requested she contact RiskCover, which handles these matters. Kath Andrews contacted the relevant persons at RiskCover. The issue of how a claim may be submitted in the absence of Mr Buswell was discussed. My recollection is that Kath Andrews may have offered that she would sign the form and submit it, recognising that what we are also trying to deal with is actually third party claims, so she did not want to leave third parties out there. I think RiskCover agreed with that process. A claim was submitted. I think a claim number was provided by ICWA and that, in effect, kicked off the process. There was always an intention that Mr Buswell would have to complete a more detailed claim form, which he subsequently did. I think I subsequently wrote to him and requested he provide or fill out a claim form and provide details in relation to the driving incident, most particularly the charges that had been laid against him, so that those matters could be considered by RiskCover in assessing the claim. That is my understanding. I do not think that is an inaccurate statement.

[3.50 pm]

The CHAIR: My question was whether that was common. I suspect from your comprehensive answer that it is not a common occurrence for that to occur.

Mr Conran: I do not believe that is correct. For a whole variety of reasons—they are quite simple; a person might be hospitalised—a claim might have to be produced. Bear in mind that the vehicle is not Mr Buswell's, it is an asset of the department. In that pragmatic assessment, what we are looking at here is a claim in respect of a departmental asset that has been damaged.

The CHAIR: I can understand the idea of putting in a claim on a departmental vehicle that is damaged if it is clear that the person who damaged it is not going to put in a claim. You would be saying “We need to go to our insurer if the person that damaged it is not cooperating and is unable to provide that.”

Mr Conran: I think Kath Andrews might be able to clarify that, because I think RiskCover may have indicated previously that there are a variety of ways in which a claim may be lodged.

Ms Andrews: The advice I had from RiskCover was that to expedite the claim and to repair the vehicle, and to start that process, that form was appropriate in this instance, given the driver was unavailable due to personal leave. That form was submitted, and it was always recognised that it was an interim form, and a further form would be sought. RiskCover wrote to me a couple of weeks later when it was obvious that the member for Vasse had returned from personal leave and sought a form to be provided. In terms of general practice—I can only speak for the Department of the Premier and Cabinet—we have submitted forms in the past, obviously when vehicles have been returned when officeholders have left and are no longer available, and they have just dropped the vehicle off and there is some malicious damage. We have no idea about the circumstances around that damage, so we have submitted a claim form without the driver signing. There is that kind of circumstance.

The CHAIR: Was any attempt made to contact Mr Buswell to ask him to submit the claim before you submitted it yourself? My recollection is that by that stage it had been indicated that Mr Buswell was back working in his electorate office.

Mr Conran: No, we had not approached Mr Buswell. The information before us at that time was that he was still unwell. He may have been back part-time at work. I am not sure that I was aware that that was the case, but I was aware that he had been quite unwell and, in my view, it would not have been appropriate for us at that time to raise that issue with him, knowing that it was certainly our intention, and in particular my intention, that he was going to be required to complete the form and complete the information which highlighted the fact that he had been involved in various traffic incidents which resulted in charges being laid. Under no circumstances was that issue going to be forgotten in this matter. Everyone in my office was clear, as was ICWA.

Hon PETER COLLIER: I have some personal experience to add weight to that with regard to the claim form that went in. When this was all swirling around a few months ago, we all got questions about how much damage had been done to fleet cars. My inquiries came back showing that there had been a claim for my car for \$450 or something or other, which I disputed because I certainly had not had an accident. This is nothing of the magnitude of the issue we are talking about here. Originally I thought there had been a mistake, but then they went back through the driver records et cetera, and apparently there had been a chip in the windscreen and they had replaced the windscreen. I was not aware of that, and I did not lodge any claim or anything. What I am saying is that it was done on behalf of the fleet as opposed to the individual driver. As I said, the circumstances are markedly different.

The CHAIR: It was not done by the ministerial driver submitting the claim?

Hon PETER COLLIER: I do not know. Ultimately, when it came to me, I wanted to know, because I did not want to have it on my record that I had had an accident, which I had not. There

had been a chip in the windscreen and they had replaced the windscreen. As a part of the fleet, I guess that was how it was pursued.

Mr Conran: My objective was to ensure that we had a process started, because I was aware that there were third party claims and I did not want to see a situation that third party claims could not be dealt with.

The CHAIR: How many conversations did you have with Mr Whithear at ICWA, Director General?

Mr Conran: Relating to this matter?

The CHAIR: Yes.

Mr Conran: Do you want to include correspondence?

The CHAIR: Yes, correspondence, phone conversations, emails or any form of communication.

Mr Conran: This is to the best of my recollection. I know I wrote to Mr Whithear on 29 May, providing ICWA with a claim form and related information concerning the charges against Mr Buswell. I think that was the claim form signed off by Mr Buswell. I know that there was one email late on a Friday afternoon from ICWA. It included an attachment that was a press release from ICWA announcing that Mr Buswell's lawyers had advised that they would be taking over all responsibility for payment of damages arising out of the accident. I know that shortly after Kath Andrews lodged the claim form signed off by her, I had an initial discussion with Mr Whithear to affirm to him that a claim had been made and to stress with him the importance of dealing with this matter very thoroughly. I did that for very good reason. My reason was that when the claim had been lodged, the indication that I think Kath had received was, "Oh well, this is from RiskCover below. This is a simple claim et cetera, we should be able to process it very quickly."

[4.00 pm]

I was concerned and said to Kath, "You need to ensure that this matter is being dealt with very thoroughly. It is going to be heavily scrutinised and this has to be dealt with carefully." Consequently, I rang Rod Whithear to tell him that I wanted to ensure that this matter was being dealt with very thoroughly. I indicated to him that I wanted to ensure that Mr Buswell was going to complete the forms and I wanted to see all of the information relating to the charges dealt with. As I recall, I indicated to him that, in my view, I considered, from my personal view, Mr Buswell should pay for the damage to this vehicle. I recognised that insurance matters themselves were not just insurance matters to be dealt with—it was our car—but I was not happy with the incident and I considered that Mr Buswell should have responsibility for this matter. For that reason, I requested thoroughness and diligence.

The CHAIR: So that is the only phone conversation that you had with him?

Mr Conran: No. Late June, was the next time I can recall any discussion. I was on leave, not in the state. As I recall, I received a message on my phone from Mr Whithear. He indicated to me that some documents had been released under the Freedom of Information Act, and that included an email from a RiskCover employee with a reference that the director general of the Department of the Premier and Cabinet, that is myself, had an interest in the matter. I think a few days later—I was not particularly taking too much notice of my phone at that time—I may have rung him to say, "Okay, well, what has happened here?" It might have been that same day. He indicated to me that he was holding a press conference. I think subsequently he made some statements in relation to that matter. I also spoke to him when the issue of the confidentiality clause arose in the media in relation to the uninsured party. I rang him to say, "What was this about?" I knew nothing of the matter. He indicated that it was a standard clause that they had in that matter. As you know, the Premier, quite rightly, made comments that he did not think it was appropriate in this instance that that clause was introduced. Mr Whithear, later on, I think it was the day or afternoon that Mr Buswell's

lawyers advised the claim had been settled, rang me to advise me that Mr Buswell's lawyers had indicated that they had settled the claim. Later that evening—I have mentioned this already—I received an email from Mr Whithear alerting me to the fact that a press release was or had been issued in relation to the matter. I know he also rang me that evening to tell me that he had been or his office had been unable to get the email to me, because they had not got through the DPC firewall, which rejects some emails if they have what is called JPG. I think it was a JPG of the logo. That is done for security reasons. I managed to get that corrected and that email subsequently came through. I also saw Mr Whithear this week. I think it was on the twelfth—it was Monday or Tuesday—when we discussed a range of issues and very briefly discussed the issue of the claim. He informed me that they were seeking to finalise the issues with the third party matters with the lawyers. He also mentioned, as I have discussed—he indicated that they were working with Mr Buswell's lawyers and the lawyer for the uninsured third party. As best as I can recall, that is the limit of the discussions in relation to this matter.

The CHAIR: It may just be the language you use, but you talked about the letter and the media release about Mr Buswell saying he or his lawyers had accepted responsibility for the damages to the other vehicles. Was it also accepting responsibility to pick up the cost for the damage to the DPC vehicle? He clearly accepted liability in that letter?

Mr Conran: Yes.

The CHAIR: The confidentiality clause: was anybody that was put into the response—the ICWA offer—anybody in DPC, made aware of that confidentiality clause before it was sent to the third party?

Mr Conran: Certainly, I was not. As far as I am aware, no-one else was, as well.

The CHAIR: Is it possible for us to get copies—you made reference to couple of emails and a letter. Are we able to get that as supplementary information?

Mr Conran: Yes; noting that there will need to be full sub third party consultation.

[Supplementary Information No B16.]

The CHAIR: Obviously, if there are parts that you seek us to keep confidential, you can advise us of that at the time you provide it.

The date of the first phone conversation you had with Mr Whithear?

Mr Conran: I cannot be certain of that, but it would have been shortly after the initial claim form was lodged. I just cannot be certain on that. It may have been the next day. It may have been the same day.

The CHAIR: Just on a slightly different matter but somewhat related; how many Caprice-style vehicles has the department sold this year?

Mr Conran: I do not know. I could take that on notice, unless one of my staff, and I am certain they will not —

Mr Kennedy: Did you say sold?

The CHAIR: Gone to auction or returned to the lessor.

Mr Kennedy: They are returned to the lease company.

The CHAIR: How does that work then, if it gets returned to the lessor, because they then go to an auction house, is that right?

Ms Andrews: Once the lease is finalised, it returns to the lease company and our, I suppose, interest in the matter and any regard for that is closed. The vehicles are all leased, they are not our vehicles as such, so when the lease is ended, we return the vehicles to the leasing company and we are not aware of what happens after that.

[4.10 pm]

The CHAIR: Was the former Minister for Transport's vehicle due to be returned?

Ms Andrews: It was.

The CHAIR: It had actually come to the end of its lease period.

Ms Andrews: Yes, his lease expired on 15 June. It was returned to the leasing company on that date.

The CHAIR: With the leases, I assume there is expected to be a residual value on that lease payment. If the vehicle does not achieve the residual value at auction, does the department pick up the cost or is that a cost borne by the leasing company?

Ms Andrews: As I understand, it is a cost borne by the leasing company. Our responsibility ends when the lease ends.

The CHAIR: If they do not achieve the residual values, ultimately, do they then increase our lease costs in the future to compensate it?

Ms Andrews: Not as far as I am aware. I am not a leasing expert. It is probably a question for the Department of Finance.

Mr Conran: I might make the obvious point: state government lease is a pretty big lease. One vehicle will not make, in my opinion, much difference to any lease arrangements.

The CHAIR: No. I understand that, but, I guess, someone is still out of pocket though if there is a reason it does not achieve the residual value expected.

Mr Conran: Fortunately, it would seem it is not the state.

The CHAIR: I think I have completed all the questions I have.

Hon ALANNA CLOHESY: Minister Marmion acted for Minister Nalder in July, around 14 to 27 July. Yes?

Mr Conran: I am sorry; my expression was to indicate I cannot recall.

Hon ALANNA CLOHESY: Ministerial acting arrangements are gazetted and there were some changes to Minister Nalder's arrangements. So, my question is whether the Premier approved Minister Nalder's travel arrangements for that period.

Hon PETER COLLIER: Sorry; Minister Nalder's while he was on —

Hon ALANNA CLOHESY: Yes. So from 14 to 27 July did the Premier approve the travel arrangements for Minister Nalder?

Mr Conran: I am not aware. We would have to take that on notice.

Hon ALANNA CLOHESY: Okay; great.

[Supplementary Information No B17.]

Hon ALANNA CLOHESY: The travel arrangements were altered to 22 July. Did the Premier approve the alterations to the travel arrangements from the 27th to the 22nd?

Mr Conran: Again, that is a matter I would have to take on notice.

Hon PETER COLLIER: I have got a little bit of insight into this. Are you saying when Minister Nalder was on leave he had travel approved?

Hon ALANNA CLOHESY: That is a good question. What type of travel arrangements; what type of leave was the minister on?

Hon PETER COLLIER: I am not sure. I honestly do not know. We will have to take it on notice. Dean did come back earlier than anticipated; I know that. We will just have to be safe rather than sorry and take it notice, but I know he came back earlier than anticipated.

The CHAIR: Just to be clear, what are we seeking and is that separate to B17?

Hon ALANNA CLOHESY: Yes.

The CHAIR: I want to be clear about what we are asking for as supplementary information.

Hon ALANNA CLOHESY: Whether the Premier approved travel and what was the nature of the leave.

The CHAIR: Was there something there about coming back early?

Hon ALANNA CLOHESY: Whether the alterations —

Hon PETER COLLIER: I think it was the due to that. I know he came back earlier than was anticipated.

Hon ALANNA CLOHESY: Whether the alterations were approved by the Premier.

Hon PETER COLLIER: Sorry, I did not want to interrupt.

The CHAIR: I am trying to work out what exactly is being requested. Whether there was leave; whether there was travel approved during that leave.

Hon ALANNA CLOHESY: Did the Premier approve the travel and the alterations to the travel?

The CHAIR: So the circumstances in which—coming back early or whatever.

Hon PETER COLLIER: That is fine.

Hon ALANNA CLOHESY: Was the minister recalled during that period?

Hon PETER COLLIER: I can only go by—I heard that Dean was coming back; he had a lot on his plate and he wanted to come back early. I do not think he was recalled. Again, that is purely speculative.

The CHAIR: We will make that part of B17 about whether there was any request for him to come back earlier or recalled, would probably be the better way of recording it.

Hon ALANNA CLOHESY: And maybe whom he was travelling with; I think it was a ministerial arrangement.

The CHAIR: That is in addition to B17—so, who else was travelling with the minister. We will make that all part of B17, I think. That is all together, I think, is it not?

Hon ALANNA CLOHESY: Yes. Were any decisions made by Minister Marmion in that period as acting minister? Were they subsequently changed by Minister Nalder after that acting period?

Hon PETER COLLIER: I have no idea.

Mr Conran: It is a matter that we would have to take on notice. I think I was actually on leave at the time.

[Supplementary Information No B18.]

The CHAIR: Maybe we are going to have to ask who was running the state at this point as well?

Hon ALANNA CLOHESY: Just on a different tack, did Minister Nalder provide a full list of assets that he owned prior to becoming a minister?

Mr Conran: Mr Nalder, like every other minister, is required to provide a declaration of interest and keep that up to date. My information is that he has complied with those matters. Now, whether there is any change over a week ago or a day ago or three weeks ago, I cannot be certain, but I have always found that ministers keep us regularly updated in relation to matters.

Hon ALANNA CLOHESY: So you are saying: yes, he did provide a full list of assets he owned prior to becoming a minister?

Mr Conran: Yes.

Hon ALANNA CLOHESY: Did any of them provide a conflict, real or perceived, for him in his role as Minister for Transport?

Mr Conran: None, as far as I am aware.

Hon ALANNA CLOHESY: Has he divested himself of any assets that might have created a conflict?

Mr Conran: That is a matter I would have to take on notice.

[Supplementary Information No B19.]

Hon ALANNA CLOHESY: If he did, in what manner did he divest himself of those interests?

Hon PETER COLLIER: I honestly do not know.

Mr Conran: Again, that is a matter which would have to be taken on notice.

The CHAIR: We will keep that all as the two elements of B19, which would be: did he divest himself of any assets; and, if so, what was the manner in which he divested them?

Hon ALANNA CLOHESY: I just wanted to ask about the staffing profile of the Premier's department. What percentage of staff—permanent full-time equivalents—is on 457 visas or equivalent temporary visas? I am pretty sure that is not information you would have right in that big folder of yours.

[4.20 pm]

Mr Conran: Through you, minister, I am not sure we have got any.

Hon ALANNA CLOHESY: You have no staff on a 457 or temporary working visa at all?

Mr Conran: Not as far as I am aware, but I do know from time to time we have the usual Irish receptionist; they are usually pretty competent but I can tell you we do not keep that data. Those things are checked by the agency, but I have not got that in any of my folders.

Hon ALANNA CLOHESY: So all permanent staff within the department are either permanent residents or citizens?

Mr Conran: As far as I am aware, but that is a matter I will check. We have certainly got a variety of accents; they may be permanent but temporary—I know we have got a range of temporary staff, and there will be in your offices as well.

Hon ALANNA CLOHESY: No, I am asking about permanent staff and the level, or the percentage, of staff on temporary visas of whatever nature, but mainly 457s, and by level, if I can take that as a supplementary question.

Mr Conran: I am just looking at the one Englishman I know I have here and he does not have a —

Mr Leeming: I am Australian!

Mr Conran: Sorry, he tells me he is an Australian, except in the cricket season!

Ms Andrews: Chair, I could respond to that.

The CHAIR: Ms Andrews.

Hon ALANNA CLOHESY: And by level.

The CHAIR: And is that about the cricket?

Ms Andrews: No, it is about the permanent staff, unfortunately, Chair! As I understand it, there are requirements for permanent appointments set by the Public Sector Commission. You must be a

permanent resident or an Australian citizen to be granted permanency in the WA public service. That is a requirement by the Public Sector Commission, not by us.

Hon ALANNA CLOHESY: It is my understanding, too.

Ms Andrews: So we obviously get appropriate evidence from our employees regarding Australian citizenship—birth certificate or permanent resident status. So as I am aware the only temporary—we have no 457s, I can say that. In terms of obviously people on section 64(1)(b) contracts as defined under the act, some of those might have a temporary visa, and we do check with DFAT as to the terms of that visa and whether the visa corresponds with the contract we are giving.

Hon ALANNA CLOHESY: In terms of the number of permanent positions that are currently held by temporary employees, are you able to give me the number of those positions?

Ms Andrews: Permanent positions, you mean —

Hon ALANNA CLOHESY: That are currently being filled by temporary employees.

Ms Andrews: I would have to get data on that, I am afraid, yes.

Hon ALANNA CLOHESY: And the percentage of those who are on non-resident visas.

Ms Andrews: Okay, we can get that. So you want the —

Hon ALANNA CLOHESY: And by level, if possible.

Ms Andrews: Yes. So you want the number of permanent vacant positions and, of those, which are occupied by anyone on a temporary working visa or a temporary visa, obviously.

Hon ALANNA CLOHESY: Yes, and by level, if possible.

Ms Andrews: By level, yes.

[Supplementary Information No B20.]

Hon ALANNA CLOHESY: Can I come back to page 77 of the budget. Under the heading of “Explanation of Significant Movements”, note 1 states —

The decrease in the 2014–15 Budget Target is due mainly to a decrease in Community Grants.

Can I get a brief explanation of what that was?

Mr Conran: Yes. Bear with me because I missed part of that question, so I am looking for inspiration from —

Hon ALANNA CLOHESY: Do you want me to repeat it?

Mr Conran: Yes, please.

Hon PETER COLLIER: It is with regard to the decrease in community grants. The decrease of \$8.718 million between the 2013–14 estimated actual of \$115 395 million and the 2014–15 budget estimate of \$106.614 million for the administration of executive government services is principally explained by decreases for one-off expenses, including the Anzac Centenary, \$5.45 million; 2013–14, voluntary severance—is that the community grants?

Hon ALANNA CLOHESY: Yes, I think that is the explanation.

Hon PETER COLLIER: The voluntary severance scheme payments, \$2.8 million; Parkerville bushfire disaster relief, \$2.6 million; efficiency dividend increases, \$1.4 million, partly offset by increases for CPI; cost escalations of \$3.5 million.

Hon ALANNA CLOHESY: That sounds like a very strange collection to be described as “community grants”.

Hon PETER COLLIER: There are some more here; I have got it compiled. Community grants: Kimberley Ultramarathon inquiry \$900 000; community grants, Surf Life Saving WA jet skis, \$250 000; Telethon, \$100 000; Community Security Group WA, \$100 000; state contribution, statue of Northerly—there you go, \$115 000; the Conservation Council, \$100 000; Tasmanian bushfires, \$250 000; and Queensland floods, \$250 000.

Hon ALANNA CLOHESY: So what is the common denominator amongst all of that collection of community grants? Why will they not receive funding in the future? Is that a pool of funds that is for a one-off unexpected event?

Hon PETER COLLIER: Yes, I think a number of those are one-off grants, because there were a number of increases in other areas as well. There were increases in Celebrate WA, Anzac Centenary, \$2.6 million; the Appealathon increase; the Parkerville bush fire disaster relief, \$2.56 million; the USAsia Centre, \$600 000; WACOSS, \$180 000; the cultural events package, \$874 000; and miscellaneous, \$617 000. So it has been more than offset by an increase in community grants.

Hon ALANNA CLOHESY: Thank you.

The CHAIR: Have you finished, member?

Hon ALANNA CLOHESY: I have. There are other questions that I have put on notice.

The CHAIR: I have a question on a different matter, so have you finished on that area?

Hon ALANNA CLOHESY: I have.

The CHAIR: What has been the total cost of the shark mitigation strategy? How much of that was the Department of Fisheries, how much of it was the private contractor and how much has been the department's own cost of implementing the drum line shark policy?

Mr Conran: I might—through the minister—ask Mr Kennedy if he would not mind answering that question.

Mr Kennedy: Thank you. Through the minister, for the information of the committee, that information is in the review document that was produced and is publicly available, but I will read it in. The costs of the drum line program in the metropolitan area from 31 January to 30 April was \$757 000; in the south west from 25 January to 30 April, it was \$524 568. I do not have a breakdown. Obviously, the metropolitan costs were largely incurred by Fisheries because they operated those drum lines. We paid for the south west contractor so that would have been a cost for us. The other costs within DPC would have been just absorbed—staffing costs and —

The CHAIR: So you have not made a separate allocation of what it has cost DPC to implement that policy?

Mr Conran: No, we have not, but we have what is called a strategic projects unit, which deals with projects such as this, just working on the basis that at any one time we will have a number of projects, whether they may be there for a year or two then finish or someone else deals with them, or we may pick up another project. Just in relation to the review that was mentioned, I know there was a question asked in this house yesterday and the minister provided an answer. I had, unfortunately, made reference to a website, which I know is not the accepted practice in this house. The minister undertook to —

[4.30 pm]

The CHAIR: I am sure the Leader of the House would have sent a stern message back to you.

Mr Conran: I do have a copy of the review document to be provided, and I am happy to provide that today.

The CHAIR: We are happy to take it as a committee, but I think the minister would also need to table it in the house. We will make it public. I need to show it to my colleagues, unless you are indicating that you want it to be kept confidential. If it is on the website, I doubt that. You will still need to provide it to the house.

What is the total annual budget for your internal strategic projects unit?

Mr Conran: Could I take that on notice? Generally, across our policy unit, we do not allocate specific funds to the specific areas simply because we move our people around areas. One area will grow, one area will decline, depending on the workflows in the office. We do not specifically have a budget for any particular area.

The CHAIR: Anyway, if you could give us some indication of the rough costs for that unit, even if it is on the total salary, and what percentage of their work you believe was taken up with the drum line policy. I am happy for that to be taken as supplementary information.

[Supplementary Information No B21.]

The CHAIR: Do you have a budget for what you expect it to cost next year yet, or is that still to be determined?

Mr Conran: There is a tender process going on. We do not wish to discuss the budget-type figures we have there. The information in relation to the cost of last year's program has been made public and that probably gives people an indication.

The CHAIR: Are you expecting both the metropolitan and the south west to be tendered this year?

Mr Conran: There are tenders out for both.

Mr Kennedy: A request went out for both areas. I think I am allowed to say yes, we have received tenders for both areas.

The CHAIR: Have we finalised the compensation for the Department of Fisheries yet? Has an amount been settled that they will be funded for?

Mr Kennedy: The advice I got this morning from Fisheries is that they are now in discussions with the Department of Treasury. They are finalising that matter with Treasury.

The CHAIR: Does that mean there still is not an amount finalised?

Mr Kennedy: All they advised me is that they are in discussions with Treasury.

The CHAIR: Who ultimately picks up that tab? My understanding is that they were doing it on your behalf as the Department of the Premier and Cabinet. Will they be compensated through you or through Treasury?

Mr Conran: The real answer to that question is the state. Which department picks it up is a matter for discussion with Treasury, and ultimately those matters will be resolved through Treasury. They will give us an outcome and we will respond accordingly. As with things Treasury, they are always going to take a line that seeks to ensure that any agency, whether it be us or Fisheries —

Hon PETER COLLIER: Education.

Mr Conran: They are well funded, minister.

The CHAIR: I was about to say that I think part of your problem here is that Treasury's answer will probably be, "That's great. You should be fully funded by the Department of the Premier and Cabinet", which is why I am surprised you are not wanting to be part of those conversations. Maybe the tactic is to stay out of them and hope that they do not do that. I take your point that it is ultimately by the state. Whether it comes out of your existing budget or whether there is a new allocation for it is the key issue.

Mr Conran: That is to be resolved.

The CHAIR: That is still to be resolved. Ultimately, if there is no new allocation, how much you pick up and how much the Department of Fisheries picks up will then be the debate.

Mr Conran: Yes.

The CHAIR: Finally, you provided us with the evaluation report. We have kept it private. I was wondering if you could provide to us a copy of it with the information that you believe needs to be redacted for that to be made public. A fair number of issues are raised with me about views that there were tenderers that were lower priced and had greater skill and experience in shark fishing that were not successful. Whilst I understand your concerns about not wanting names of companies raised, I would very much appreciate it if you were able to provide us with a copy of the information that you feel is sufficiently redacted not to identify anybody but hopefully provides enough information that would allow people to be confident that the best tender was successful. I do that because I think it is in the department's interest as much as anyone else's for that to occur.

Mr Conran: We will endeavour to do that. We may need some legals in relation to that just to clarify a few issues. As with all things related to tenders, there are a whole range of complexities. I can never understand them, but we will endeavour to get you that information.

[Supplementary Information No B22.]

Hon PETER KATSAMBANIS: Can I just ask something about the shark mitigation strategy? Is there a proposed commencement date for the 2014–15 season of the drum line portion of the shark mitigation strategy?

Mr Conran: I am advised that it is 15 November.

Mr Kennedy: That is, of course, subject to environmental approval.

Hon PETER KATSAMBANIS: Yes, of course; we understand that. The proposed commencement date, subject to those approvals being granted, is 15 November. That is great because, as I have expressed before in my electorate, there are plenty of businesses that rely on people having confidence to enter the water, so that is going to be of great assistance to them.

The CHAIR: If there are no other questions, I might conclude the hearing. The committee will forward any additional questions it has to you via the minister in writing in the next couple of days, together with the transcript of evidence, which includes the questions you have taken on notice. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to email them to the committee as soon as possible after the hearing. On behalf of the committee, I thank you for your attendance today.

Hearing concluded at 4.37 pm
