

APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2014–15 BILL 2014
APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2014–15 BILL 2014

Estimates Committees A and B Reports and Minutes — Presentation

MS W.M. DUNCAN (Kalgoorlie — Deputy Speaker) [12.10 pm]: I present to the Legislative Assembly the reports and minutes of Estimates Committees A and B.

[See papers 1703 and 1704.]

Estimates Committee A Report

Ms W.M. DUNCAN: I move —

That the report of the Estimates Committee A be adopted.

As members are aware, the estimates committees were held from 20 May to 22 May. On each of those days we had two committees sitting—committee A and committee B—in the two chambers of the house. They sat from 9.00 am to 10.00 pm each day. I would like to thank the staff of the Legislative Assembly for their contribution. I also thank the Acting Speakers involved, the members for Forrestfield, Maylands, Mirrabooka, Morley and Southern River, for their contribution, and in particular the member for Geraldton, who came in to help out as a temporary Acting Speaker. It is quite a demand on members' time.

Members may be interested to know the number of opposition and government questions asked in estimates. According to the figures that have been provided to me by the parliamentary staff, in Estimates Committee A, 264 opposition questions and 95 government questions were asked, and a further 732 questions were allocated. In Estimates Committee B, there were 236 opposition questions and 112 government questions, and a further 633 questions were allocated.

The ACTING SPEAKER (Mr I.C. Blayney): Members, you need to keep your voices down, please.

Ms W.M. DUNCAN: That is a total of 500 opposition questions and 207 government questions that were asked. In committee A, 64 supplementary information requests were made and all have been answered, and in committee B, 75 supplementary information requests were made and all have been answered.

I thank members for their cooperation and commend the report to the house.

MR P. PAPALIA (Warnbro) [12.12 pm]: I want to take a moment to reflect on Estimates Committee A deliberations, specifically in respect of division 68, Corrective Services. I think it is noteworthy that one of the most significant failings and one of the most significant omissions of the budget was recognised in budget paper No 3 as being no inclusion of projected costs or modelling for the additional costs associated with the impact of the government's much touted aggravated burglary laws. As I recall, the justification for that in budget paper No 3 was that at the time of, I am assuming, drafting the budget, there was no modelling of the impact. I chose to explore that during estimates, and it became very clear that there was modelling, because not only was it revealed during estimates, but also, prior to that, in the media, Amanda Banks from *The West Australian* had elicited from the Minister for Corrective Services' own department figures that indicated quite an accurate estimation of the cost. The department was able to project that over the three years from the introduction of the legislation, there would be an increase in the adult prisoner population above and beyond normal growth patterns, which we are not seeing, by the way; we are seeing massively exploded growth patterns at this very moment. However, that aside, the projections above and beyond normal growth were for an additional 200 adults into the system over three years as a direct consequence of the new legislation, and, as I recall, an additional 63 juveniles, or maybe 68—the specific detail escapes me at this moment, but it was in the order of 63 to 68—over three years. When we couple those together, it is not an insignificant figure; it is not an insignificant impact on the recurrent expenditure of the state budget, because for every juvenile that we add to juvenile detention, we add a recurrent cost of \$220 000 a year, and for every adult it is in the order of \$110 000 or \$115 000, I think. The consequent cost increase as a direct result of the legislative change that the government has introduced, but has not yet been passed, will, according to the department, be an additional \$93 million recurrent cost to the budget. Some weeks before estimates and before the budget was delivered, the department gave that answer to Amanda Banks and it was published in *The West Australian*. That was revealed in the public domain way before the budget and way before estimates. It was interesting to note that when we got into estimates and explored that matter in the presence of the Commissioner of Corrective Services, he was able to confirm that that is accurate modelling; that is its best modelling. It is solid and based on some fairly reasonable assumptions. The department was even able to project the growth in each year and the consequent cost over three years.

To not include that cost in the budget papers themselves is wrong. I think it was an intentional omission. I do not believe the suggestion that there was no accurate modelling. I had heard through the grapevine that there was modelling well before budget time and well before the budget would have been composed. I think it was

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intentional because we had a wafer-thin notional surplus. The surplus itself this year is a little over \$100 million, but next year there is the farcical suggestion that we are going to have a \$5 million surplus. Obviously, the papers will be shuffled, the numbers will be fiddled and the notional surplus will be achieved next year through sleight of hand. To not include in this year's budget the \$93 million projections as a direct result of the government's own legislative change is wrong. It is just rank, base politics. It is avoiding responsibility. If the government goes out into the public domain and massively increases the number of mentally ill people who are economically challenged and incapable of paying their fines and they are sent to prison, and if Aboriginal people and offenders at the low end of the spectrum are being sent to prison for committing offences for which the maximum penalty is two years' imprisonment or less, and this is a direct consequence of the government's own policies, platforms, initiatives and directions to government agencies, authorities and bodies, the government has to take responsibility for that, and it has to tell the people and the taxpayers of Western Australia how it is going to fund that. The government cannot just do what has apparently been done right across the board in many respects and suggest that somehow the means will justify the end or that the result that the government will achieve will justify the massive debt that we are going to incur. The government may think that in the end it will somehow be rescued by a change to the goods and services tax distribution or by an increase in iron ore income revenue streams, or that some unspecified bequest will somehow result in the government being bailed out. That is not good enough. But to not even include in the budget the actual costs that the government knows about is wrong. It is dishonest. It is doubly dishonest because the growth in the prison muster beyond the results of this law is significantly higher than historical levels.

The government would know that in the last four months the growth in the prison muster has exceeded the growth in the previous two years combined. The government knows that because I raised it in estimates. I put the question as to why that would be the case to the minister, who had no idea—metaphorically, he just shrugged his shoulders. He responded by saying, “Maybe it was a warm summer, with long summer days.” The minister completely overlooked the fact that the previous two years combined had had a lower growth rate than the last four months and was incapable of giving us an explanation. But, sadly, so too was the entire Department of Corrective Services; it was incapable of making any suggestion or giving us any idea as to why this most recent surge in growth and subsequent costs to the taxpayers of Western Australia had occurred, without any benefit in the form of a reduction in crime or a greater feeling of safety in the community. It is undeniable that no-one feels any safer today than they did six years ago. The only thing they should be feeling is poorer because their debt has just skyrocketed.

It was sad and very concerning to see that such a massive surge in the number of people going into the prison system had occurred, but that no real research, analysis or science had gone into determining why. I would have thought that was an important consideration. One law this government has introduced will increase the cost to the state by \$93 million recurrent in the next three years. I would suggest that it will put an extra 200 adults into the prison system, and there have been 223 in the past four months. That is the scale of the increase in recurrent cost to the state every time we have a surge in the prison muster. It is big. It is a significant cost, and it is a contributing factor to the poor state of the books. It would be okay, I guess, if the government could satisfy the public and the opposition with an explanation for those numbers increasing in that fashion, and potentially make the link, tenuous though it may be, to some sort of consequential outcome. I will suggest why I feel it happened. This is my theory—I do not have access to the resources or databases the government has—as to why there has been another surge in the prison muster; that is, when the Barnett government first took office, there was an unprecedented 27 per cent growth in the prison muster in the first 18 months. That is a massive surge—a wave of people going into the prison system. It was not serious offenders or violent and dangerous criminals; the vast majority of those who went into prison in that 27 per cent increase were identified by the Chief Justice of Western Australia as coming from a cohort of people that included fine defaulters. He made the suggestion that therefore indicated that they are economically challenged and incapable of paying fines. They were Aboriginal people and mentally ill people, and people at the lower end of the spectrum in the offences they had committed. That was confirmed through the fact that they were going into prison having been sentenced for an offence for which the maximum penalty is two years or less; that is considered to be at the low end of the spectrum. That was the make-up of the vast majority of that growth in the muster; it was like a surge. A wave came through, and from there it did not drop dramatically; it plateaued and gradually climbed, and over time I would imagine it would have returned to historic levels of growth, in the order of 100 to 140 a year.

But in the last five months—because it has not receded in any manner—another wave of similar proportions has come. The previous two years to this saw a net growth in the prison muster of 203, and in the first four months of this year—I have not looked today—there was a net growth of 223 prisoners in the adult prison population. I think the surge of low and minor offenders, including poor people, mentally ill people and those people getting short-term sentences as a consequence of the low level of their offending—fine defaulters and like—have gone into prison and experienced an inadequate, overwhelmed system that is massively overcrowded and incapable of providing any sort of positive intervention. As a result, prison has been criminogenic; the exposure to prison has

not done what the government would have hoped and resulted in some sort of deterrent. Exposure to this overwhelmed, under-resourced prison system that is completely overcrowded and incapable of providing much in the way of positive intervention, has resulted in prisoners coming out and being far more likely to reoffend, and that is what is happening right now. That is my theory. I am speculating, but it would be interesting to see whether the department, the government and the minister in his office spend any time at all on trying to analyse whether I am right or not. If I am wrong, wonderful; if it can be proved that I am wrong and there is some other reason, I would welcome it because it would suggest that the government is actually doing a little research and analysis beyond what has been the case for the past six years.

I suspect that that first wave is now reoffending. We are about at the point of time when a large number of the people who offended in that first 18 months have done their two-year sentence and have come out. It is two to three years since they last offended or since they last left the system, and experience around Australia and the world tells us that if they are going to reoffend, a large number would have done it within two years. If we go out to five years—this is where it really gets sad in Western Australia—a significant number more have reoffended for a second time in such a way as results in a prison sentence. What is most disturbing in Western Australia is that there is a difference between Indigenous and non-Indigenous statistics. Sadly, for Aboriginal offenders who have been incarcerated in Western Australia, within two years of being out in society the rate of reoffending is in the order of 40 per cent, I believe; by five years it is up around 70 per cent, according to the last time I looked at those statistics. That means a significant number of those people going into our prison system for the second time within that time frame as a consequence of being exposed to a system that did not work to change their behaviour are Aboriginal. The prison muster right now confirms that. The breakdown of the prison muster confirms that even though there has been a massive increase in the prison muster over six years of the Barnett government, there has been virtually no change in the percentage of Aboriginal prisoners in the system. If we are talking about individuals, there are significantly more Aboriginal people in the system than there were six years ago. The proportion was 40 per cent then and it is 40 per cent-ish now, but the number overall in the prison system is way more. We started off with 3 900 in September 2008, and the last time I looked there were about 5 200 and something. There are a lot more Aboriginal people in the system. The system is apparently criminogenic; it creates a worse outcome, and the likelihood of reoffending is significantly higher for a person having been exposed to this environment. It is not doing what the government had hoped and acting as a deterrent; it is making things worse. It is making our society less safe. People should be worried that people who go into our prison system, instead of coming out feeling chastised, chastened and fearful of reoffending are actually coming out more likely to reoffend. We are creating a crime university and industry—crime factories—by putting these people into overcrowded systems that do not provide intervention or a well-resourced, structured and thoughtful response to how we reduce recidivism. There are a whole lot of people who, prior to that time in 2009-10, would not have gone into the prison system, and they have been exposed to serious criminals. That environment is apparently, by the look of it, criminogenic. We are actually creating a whole cohort, and it is coming back. That is what I fear. I hope it is not correct, but if it is and we get the same sort of scale of wave of offenders, when we get down to the tintacks of it and the real base assessment of it in dollar terms, we will be confronted with a real problem because it is not something we will be able to turn off in a hurry.

Recurrent expenditure is massive. The government's own figures indicate that the law's impact is \$93 million over three years, regardless of this wave coming through. The first time the wave came through it was in the order of that figure, probably more. If this wave continues with the law on top of it, it is a significant recurrent impact. The \$50 million capital expenditure the government spent over the last three years on notionally increasing the number of beds in prisons—not so much capacity, because a lot of the beds were in existing prisons, so it is not really a change in the footprint of the prisons, it just putting more people into them—would have been wasted and largely consumed. By the next election, a lot of work on the next prison that will have to be built should have been done and, by necessity, must be done by the minister and his department and then be presented to cabinet. If the government will not change what it is doing or address the growth in the prison muster, as a responsible government it will go to the next election with probably a \$500 million allocation in the future planning—“future planning” is the new term—if not in 2017, for construction of another prison, because most of the capacity would have been absorbed. It is a serious matter for which there has been not much analysis or focus, because people do not really care. It is superficial; it is easy not to care about people in prison. The reality is that it is all dollars and cents, and the government does not have much to play with. The more the government thoughtlessly wastes on this sort of activity, the worse off we all are. I urge the Treasurer to take a close look at that particular portfolio and the challenges it is confronting.

MS M.M. QUIRK (Girrawheen) [12.32 pm]: Estimates Committee A heard from the Minister for Community Services with the exception of the citizenship and multicultural interests portfolio, which was handled by the Minister for Citizenship and Multicultural Interests. The Minister for Citizenship and Multicultural Interests has other very taxing and onerous portfolios in Treasury, Energy and so on, yet he spared time to attend committee B

for the division “Promotion and Support of Multiculturalism in WA”. That is in contradistinction to the Minister for Women’s Interests, who for some reason did not front committee A to answer questions about the women’s interests portfolio, instead leaving it to the Minister for Local Government; Seniors and Volunteering. That was very unfortunate. This minister put out, at last count, two press releases on women’s issues; one relating to an afternoon tea. Committee A did not have the opportunity to canvas a range of issues with the Minister for Women’s Interests. It was not explained why the minister could not, as the Treasurer had done for multicultural interests, answer questions on the women’s interests portfolio in the course of committee B.

The issues we were not able to talk about with the minister were, firstly, the gender pay gap, which I think is worse in Western Australia than any other state; secondly, the major social issue of the growing prevalence of homelessness for women over 60 years of age, which is a real problem; and thirdly, the issue of women’s representation on boards. Although some measures have been taken on this, again, we would like to have heard from the minister about activity taking place in that area. The fourth issue is the question of public sector recruitment of women and the training and mentoring available to them to advance within the public sector. Fifthly, there is the emerging issue of financial literacy as people head towards retirement. For a number of women this is a problem; especially those who have found their marriages break down later in life and who have always relied on their husbands as salary earners and have never had to make provisions for superannuation, because that was done within the context of the family budget. It is trite to say that for a number of women financial literacy is something that is underdeveloped. Work needs to be done on educating women about financial planning, financial counselling and superannuation. Sixthly, we were unable to discuss issues relating to domestic violence with the minister, which is a major scourge in our community and largely impacts women and their children. It has the capacity to disrupt families and the social fabric of our society. It was very unfortunate. Seventhly, the lack of forums for and outreach with Aboriginal women was also not canvassed with the minister. The eighth issue is the impact of concession cuts announced in the federal budget on single women who are seniors or pensioners. We could not discuss all of those issues with the Minister for Women’s Interests, because for some unknown reason she decided to not make herself available to be questioned in estimates. In my time in Parliament, it is unheard of that a minister who is available to be questioned on other portfolio areas is not available to talk on another. The Minister for Women’s Interests did not make herself available to talk on women’s interests. I expect at some stage she should give an explanation about why she considers the interests of almost 50 per cent of the Western Australia population is not important enough for her to address those issues personally.

MR M. MCGOWAN (Rockingham — Leader of the Opposition) [12.37 pm]: I rise to speak about Estimates Committee A and my experience of the estimates committee process. I have concerns about how the committee worked. To be honest, every year the estimates committee process is the same. Firstly, I think ministers have a tendency, as time goes by, to do absolutely everything they can to avoid answering questions in the estimates committee process. I was predominately involved in Estimates Committee A with the Premier and Minister for State Development, and his effort to avoid answering questions was very noticeable. I will provide a couple of examples in a moment. Secondly, once again, I would have thought by its sixth budget this government might have given up the standardised, boring written questions provided to government backbenchers or parliamentary secretaries to ask. I understand providing standardised questions to government backbenchers in the first couple of years of a new government so they can get into the swing of things and get an understanding of what estimates is about; but the sixth budget? Members sit there with big lists of questions ready to go. If the minister or the Premier is in a bit of trouble, suddenly in chimes a backbencher with the most boring, turgid question on something of so little interest to anyone that they do not even know what they are talking about when they ask it and sometimes mix it up and ask it in the wrong division. By the sixth budget, I would have thought they might actually know what they are doing. But, no, there they are; it was even printed in a story in *The West Australian*. The government members rolled out those lists and the ongoing process of asking questions written by the ministers’ offices. My goodness, after six budgets I would have hoped that government members might actually know what they were doing and not have to come into the chamber and do that. There might be a modicum of spontaneity amongst backbenchers and the minister or the Premier might actually be able to handle a little bit of difficult questioning, rather than the standardised written questions we saw rolled out in the estimates process.

The other point is that the process was once again hijacked by government backbenchers doing that, and once again not enough time was provided to the opposition by Acting Speakers, particularly recently appointed Acting Speakers, to allow the opposition to pursue lines of questioning. The fact that we go back and forth, one to another, without allowing for a line of questioning to be pursued, particularly by Acting Speakers who may have been in this place for only one or two years, requires a bit more attention in respect of the process. More attention needs to be paid to the training of Acting Speakers to allow for an examination of the government’s budget—remembering that this is a \$26 billion document—by members who might actually exercise a bit of critical analysis in their questioning. I hope that in future Acting Speakers will allow that for members who are going to ask critical questions rather than sanitised, standardised questions written by ministerial officers.

Those were my first two points. My third point is that I found it interesting on the first day of the estimates hearings to watch from afar the questions asked of the Speaker. I thought he was very forthcoming with his answers, particularly in relation to the furniture in his office. I congratulate the Speaker on his candour in revealing that particular issue; it provided some interest as to what has gone on in terms of expenditure in the building. However, I did not see the same degree of candour from the Premier. I asked the Premier a range of questions on important issues of public moment, and I refer in particular to questions on one point to which I did not get any answers, despite asking questions numerous times on that point. I repeatedly asked questions about an issue that in a political rather than substantial sense has probably been one of the most significant issues this year, and that is the motor vehicle of the former Treasurer, the member for Vasse. I repeatedly asked questions about the cost of damage repairs to his motor vehicle, but no matter how many times I asked about the cost and who was to pay for it, the Premier would not answer. I will put a whole bunch of questions on notice to try to get to the bottom of the cost of the damage to that motor vehicle. I even revealed documents showing the price of a new Holden Caprice; it is \$66 000. I asked the Premier that question over and over, and he just said, “No, go and ask the Insurance Commission. It is the Insurance Commission, not the government.”

Premier, that is not right: it is the government. He is the Premier; the buck stops with him, and he should answer the question: what is the cost of the damage to that car? The Premier should not think that the opposition is going to give up on this issue; we are going to ask and ask and ask, and we will use every tool at our disposal until we get to the bottom of how much that little set of events on 22 and 23 February 2014 cost the taxpayers of Western Australia. Despite all our efforts, the Premier still refused to answer. Then it was revealed, during the course of the estimates hearings, that the Premier said in relation to the freedom of information requests we lodged on this issue—which at that time had not been answered—that we would have to appeal to the Information Commissioner. The Premier actually truncated all the laws under the Freedom of Information Act that allow for internal appeal, and said that we should take it to the Information Commissioner and he would make a decision on the issue. When we sought the report conducted by the director general of the Department of the Premier and Cabinet and surrounding documents, the Premier truncated all internal processes and told us to appeal to the Information Commissioner, and we had not at that time even received an answer from the department. It now appears that all the internal review processes, even though they fall under the law of the Freedom of Information Act, are finished because the Premier says so, and we now have to wait a year or so for the Information Commissioner to answer those questions. When we got an answer, subsequent to that response and the estimates process, the officers involved said that the director general of the Department of the Premier and Cabinet had determined that we would receive no documents, despite the fact that there is a schedule of numerous documents surrounding the incidents involving the member for Vasse.

My point is this: secrecy and cover-ups are going on at the highest levels of government in relation to these issues, with both the estimates process and the FOI process. That is what we learnt from the estimates process. There was no light shone on the issue; the light was shone on the fact that all these events are being covered up by the government.

We will follow the Premier’s advice; we will appeal to the Information Commissioner in relation to the damage to the Treasurer’s car and all the surrounding circumstances. We know there are a bunch of documents, because we have the schedule. We will proceed with that and appeal all those things, but it is apparent that the Premier has interfered in the FOI process inside government. That is what is apparent from his answers in this place. He is determined to ensure, as far as he can, that documents will not be released in relation to a set of events that involved the Treasurer of Western Australia severely damaging government property and risking other people’s lives. He is also determined to ensure that documents will not be released revealing who else in government knew about that set of events.

That is what we learnt from the estimates process, and it was very instructive about the nature of this government. It refuses to answer questions; it has its backbenchers take up time during estimates hearings; it appoints Acting Speakers with limited experience who do not understand the free flow that should occur during the estimates process; and it has a Premier who will not answer the most basic questions about the cost of damage to government property by senior members of his government, and who meddles in FOI processes to cover up the release of government information. That is what I learnt from Estimates Committee A, and it was not a good experience. It would have been great if the Premier had followed the lead of the Speaker, who came forward and released information. Instead, we now have to go through probably a year of work to obtain that information, but obtain it we will, because we will proceed on what is a significant issue of government accountability and probity, when we have government ministers behaving in the way that the former Treasurer behaved.

MR D.A. TEMPLEMAN (Mandurah) [12.48 pm]: The estimates committee process is one that I have been involved in for 13 years as a member and more than half that time as a party Whip, in both government and

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opposition. The Whip's job is a very difficult job, and I pay tribute to my parliamentary opposite number. When we are tasked with making sure that the committees are staffed with members, obviously, from an opposition point of view, I try to make sure that the lead members are the shadow portfolio representatives to make sure that they hold the minister or the parliamentary secretary to account. I thank my colleagues on this side of the chamber for the way in which they performed during the estimates committees, A and B; I will talk about committee B later in the day.

I want to very quickly say that I still think there is room for improvement in the processes. The Leader of the Opposition highlighted the dorothy dix nature of the questions asked by government members. But I think we still need to look closely at the amount of time that is allocated to a number of the portfolio areas. This is an issue that is debated widely before estimates committees each year.

Debate interrupted, pursuant to standing orders.

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