



# **Parliamentary Debates**

(HANSARD)

FORTIETH PARLIAMENT  
FIRST SESSION  
2018

LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE A

Tuesday, 22 May 2018



# Legislative Assembly

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## ESTIMATES COMMITTEE A

The meeting commenced at 9.00 am.

### Division 1: Parliament, \$64 984 000—

Ms L.L. Baker, Chair.

Mr P.B. Watson, Speaker of the Legislative Assembly.

Ms K.M. Robinson, Clerk of the Legislative Assembly.

Mr R. Hunter, Executive Manager, Parliamentary Services.

Ms E.L. Ozich, Chief Finance Officer, Parliamentary Services and Legislative Assembly.

Ms P. Traegde, Deputy Executive Manager and Director, Member and Operational Support, Parliamentary Services.

Ms B. Corey, Director, Parliamentary Information and Education, Parliamentary Services.

[Witnesses introduced.]

**The CHAIR:** Good morning, members. This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

Mr Speaker may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask Mr Speaker to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek Mr Speaker's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if Mr Speaker asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the Leader of the Opposition.

**Dr M.D. NAHAN:** I refer to page 37 of budget paper No 2. There are a lot of spending changes throughout the various areas. This one is a bit different. I refer to the item "Salaries and Allowances Tribunal Determination". It is a positive; usually it is a negative. Can that be explained?

**The SPEAKER:** I refer the question to Ms Ozich.

**Ms E.L. Ozich:** Could the Leader of the Opposition please repeat the question?

**Dr M.D. NAHAN:** On page 37, under spending changes, the third line item is "Salaries and Allowances Tribunal Determination". In 2018–19, the budget estimate is \$19 000. In other places the amounts are usually negative in this budget. This is not a complaint; it is just a statement of fact. Why is that a positive when everything was frozen?

**Ms E.L. Ozich:** We do have the frozen cuts in the budget. The Leader of the Opposition is seeing a very slight increase there. What happens is that members' claims may change. We map the history of the claims that are put in by members. They can change from year to year. Each year we also have an increase in the rate of allowances paid for base accommodation, which is based on the tax determination. For example, if a member goes to a particular area, one year they might claim 10 nights and another year they might claim 12 nights. There can be these slight increases, even though overall the Salaries and Allowances Tribunal is not increasing them.

**Dr M.D. NAHAN:** There is an underlying decrease, but on top of that, which is nullifying it, is an increase in allowances. Did the SAT deal with allowances also?

**Ms E.L. Ozich:** Yes, SAT deals with allowances, but the rate for one of the allowances—the base accommodation allowance—is based on the tax determination. It can be \$347 per night for a particular town, but that may increase over a number of years.

**Mr Z.R.F. KIRKUP:** Mr Speaker, I will stay on page 37 and refer to the total cost of services. I want to understand whether that incorporates costs for committees. If that is the case, I will have a supplementary question to follow.

**The SPEAKER:** Ms Ozich?

**Ms E.L. Ozich:** It does. It includes all costs.

**Mr Z.R.F. KIRKUP:** Could we have an outline of the costs of the Procedure and Privileges Committee inquiry into the member for Darling Range? Could we get a breakdown of those costs, if possible?

**The SPEAKER:** There is no real extra cost, because this is part of the full-time job of the staff member who was involved in the committee. There was not any extra cost for the committee. The only thing was the hours the committee worked, under a lot of pressure. I would like to congratulate the committee and the staff—they did an outstanding job. There was no additional cost to the Parliament. I will just ask the Clerk to speak.

**Ms K.M. Robinson:** The Procedure and Privileges Committee is a little different from other committees in that it is not set up full-time like the other committees. For example, the principal research officer to that committee is the Sergeant-at-Arms, so she has other duties as well. The PPC comes together when it has meetings. Obviously, her work would continue, as it did for the last five months that she has been working on that inquiry. We have not assigned hours to that committee. Obviously, the committee incurred costs with such things as morning and afternoon teas, working lunches, the cost of printing the report, and overtime for the principal research officer. There were no other costs like other committees have.

**Mr Z.R.F. KIRKUP:** In that case, as the Clerk has alluded to, do we have an understanding of the quantum of overtime and hours worked that were dedicated specifically to this inquiry? We are trying to get an understanding of this for the Parliament. As Mr Speaker said, this was quite a significant inquiry, and committee members were under significant pressure. I am trying to understand what that looks like in terms of a breakdown of hours, overtime and things like that. Do we have an understanding of what that looks like?

**The SPEAKER:** Clerk?

**Ms K.M. Robinson:** We could give a broad overview. For example, the Deputy Clerk and I do not get overtime, so our hours would have been given to that inquiry as well. We also had a barrister, Philip Urquhart, who provided some information as well. We will try to work out a rough approximation of the costs and the hours.

**Mr Z.R.F. KIRKUP:** Can we get that as supplementary information?

**The CHAIR:** Can I just confirm what will be provided as supplementary information?

**Dr M.D. NAHAN:** Could I have a go at that?

**The CHAIR:** Yes, Leader of the Opposition, you may.

**Dr M.D. NAHAN:** The PPC is a special committee in a sense. Even though it is a standing committee, it does not get regular briefs, such as the Economics and Industry Standing Committee does. Could we be provided with information on how many man and woman hours were put into this inquiry, whether any travel was undertaken—I have no idea—whether there were any communication costs, and whether any outside research or advice was obtained—I guess the committee would have gone to the State Solicitor's Office or somebody like that for legal advice? Could we get a good picture of not only the price but also the inputs into the committee, by hours?

**The CHAIR:** Let us clarify. Mr Speaker, can you just put on the record what will be provided?

**The SPEAKER:** We will look into the number of extra hours and any costs involved.

**Dr M.D. NAHAN:** It is not just the extra hours, Mr Speaker. Unlike certain of the standing committees, which have research staff allocated to them on a permanent basis who service the committees, as I understand it the Procedure and Privileges Committee is ad hoc in the sense that it responds only to briefs. Therefore, the people who are assigned to that committee do other things. Economists call that an opportunity cost. It is not like the other standing committees, which have a standing group of researchers. What is the total number of hours put into the committee by the different types of people? The cost of that would be very helpful.

[9.10 am]

**The SPEAKER:** Yes. Just adding to that, we had only one researcher and she did all the work. If there are medals going around, she should get one. We will work all of that out for the Leader of the Opposition.

**The CHAIR:** So that everybody is clear, particularly Hansard, I think you should indicate one more time what you are agreeing to provide.

**The SPEAKER:** We are agreeing to look at the total cost of hours and any other incidental costs to the committee.

[*Supplementary Information No A1.*]

**Dr M.D. NAHAN:** In terms of the efficiencies put through to the government generally—most are itemised here—has that impacted the committee process at all in the amount of money allocated to it or the functioning of the committee process? Other than wages, which are itemised in the budget, have there been changes to the allocation to the committee processes, standing and otherwise?

**The SPEAKER:** Is the Leader of the Opposition talking about the other appropriation?

**Dr M.D. NAHAN:** No. In the various line items under “Service Summary” are just three basic areas. I am trying to identify where any cuts have been made to the overall allocation to the committee processes of the Legislative Assembly, other than wages that went to the staff who service them.

**Ms K.M. Robinson:** At this stage, not, but going forward it could be a bit of an issue about whether we get a lower appropriation. With salaries we have been locked into the number of FTEs in terms of how much money we will get for the salaries, and that could prove to be a little difficult if another committee is set up that we have to staff. For example, with the joint select committee, that has to come out of our budget, so that has really put a drain on our other services and will obviously constrain what we can do with that money for committees.

**Dr M.D. NAHAN:** There is a bucket of money for the committees and if there are special inquiries that are costly, that leaves less for everything else. We have two special committees: one is the privileges committee that we have discussed already and the other is the Joint Select Committee on End of Life Choices. I saw that there were 80 public meetings, which is a rather rigorous schedule. That must have had a very large impact on the residual pool, if you like, for the rest of the committees. I take it from that that there was no specific additional allocation of money for the end-of-life choices committee and that it came out of the pool for committees altogether.

**The SPEAKER:** Yes, it did. Does the Leader of the Opposition want to know how much it cost?

**Dr M.D. NAHAN:** Yes.

**The SPEAKER:** The figures to date are as follows: staffing costs for the principal research officer, \$145 000; staffing costs for the research officer, \$105 000; staffing costs for overtime, \$60 000; advertising, \$8 500; and printing, \$2 500. That is \$322 000. We had an extra level 5.3 for four months at a cost of \$44 000, and a consultant for \$6 000. Expenditure to date is \$301 703 and anticipated cost is \$372 000.

**Dr M.D. NAHAN:** That does not include the wages to the Legislative Assembly staff.

**The SPEAKER:** It does.

**Dr M.D. NAHAN:** If the Speaker could provide that type of information for the Urban privileges committee, that is the type of breakdown we are looking for.

**The SPEAKER:** The one that I just gave you?

**Dr M.D. NAHAN:** Yes, that is the format of the breakdown I am seeking for the Urban committee.

**The CHAIR:** There was no supplementary information in that conversation; it was just referring back to the previous question?

**Dr M.D. NAHAN:** Yes. A further question: what is the total committee allocation? What is the bucket of money?

**Ms K.M. Robinson:** Our operating amount, for example, for 2018–19 is \$6.040 million. That is our operating cost, so that would be salaries for all the staff and whatever is left from that is what we have to run the chamber, the committees and those sorts of things. Obviously, we have to make sure that there is enough money for notice papers, overtime for staff who work on sitting nights and all the different costs that we have. We have to find the money within that \$6.040 million.

**Dr M.D. NAHAN:** There is an allocation for the committees. What is the total amount and how much has been eaten up by the special inquiries, the privileges committee and the end-of-life-choices committee?

**The SPEAKER:** We will take that as a supplementary question.

**The CHAIR:** I think it is pretty clear, but can you clarify exactly what the supplementary information is that you will provide?

**The SPEAKER:** We will provide the total amount for the committees out of the total amount that we are allocated.

*[Supplementary Information No A2.]*

**Mr Z.R.F. KIRKUP:** Just so I can better understand, there has not been an expanded allocation to the Legislative Assembly in that case as a result of the Joint Select Committee on End of Life Choices? Has the Legislative Assembly had to entirely absorb that?

**The SPEAKER:** We had to absorb that.

**Mr Z.R.F. KIRKUP:** Has there been an impact on any other services that have been delivered as a result of that committee’s operation? If so, what impact has that had?

**The SPEAKER:** We have had to be a bit more stringent with committees that want to go overseas, because, obviously, it is not a bottomless bucket. We had to knock back one of the committee's requests for an overseas trip. We are being very prudent with our money.

**Mr Z.R.F. KIRKUP:** I refer to the provision of infrastructure and facilities on page 43 of budget paper No 2. Works are being undertaken at the front of Parliament House for offices for staff. How is that project going? What are the time lines and are there any issues in relation to that? I am also keen to understand how the provision of infrastructure in the courtyard is going and what the total cost is. Are there any ongoing issues with maintenance costs and the like?

**Mr R. Hunter:** I go firstly to the questions about the fountain repurposing. One of those questions was: how is the project going? The project is going very well; it is on time, on schedule and on budget. We have allocated over a three-year term about \$2.7 million to that. That included the establishment of universal access toilets, which are located on the northern area of the grounds, and also the repaving and sealing of the forecourt where the flags are. That is included in the \$2.7 million. The project is going well. We anticipate that we will occupy that in about August next year. We need to be out of our leased accommodation across the road by 17 December 2019. There will be 27 people in it, essentially finance and library staff, so a bit of a reallocation of staff there. It had been our hope that by relinquishing our leased accommodation we would be able to retain the savings from our current lease costs, which were in the order of \$308 000, but are actually a little less now.

Unfortunately, the government has been very clear that we cannot retain those funds. Our intention to save money and reinvest it in the building was thwarted by a rejection of our proposal to retain those funds. Notwithstanding that, because we attempted to get funds through capital investment, we had two negative things happen to our 2018–19 budget. One is that there is a streamlined budget process that the member would be familiar with, and that streamlined budget process would have allowed us to have a \$161 000 incentive payment, if you like, if we did not ask for money. We asked for money. We put up 21 business cases asking for money to improve Parliament. Those were noncompliant, which means that they did not make it to the Expenditure Review Committee. As a consequence of that request, we lost \$161 000. In addition, in the accommodation savings realised by the renegotiation of the lease, we lost another \$77 000. Parliament, and Parliamentary Services in particular, was already struggling for money for capital investment and is now down about a quarter of a million dollars as a consequence of attempting to improve it.

[9.20 am]

**Mr Z.R.F. KIRKUP:** In relation to the 21 business cases, can the Speaker give us an understanding of what they covered? I am certainly happy for Mr Speaker to table the titles of them.

**Mr R. Hunter:** We cannot table the document in estimates, but I am more than happy to refer to those projects or provide supplementary information. I need to put my glasses back on for a second and then I can give members a list of those projects. I will go through the projects by heading and value. Obviously, our highest priority right now is the fountain repurposing project at \$2.7 million, which is totally self-funded with no additional funds. That is from our \$1 million capital a year over three years. We put up a business case for external public toilets to the tune of \$200 000 and another for the server room relocation. The IT server room is in leased accommodation across the road and that relocation would cost \$200 000. A business case was made for roofing repairs and replacement of insulation on the eastern side, where water leaks into not only the Aboriginal People's Room but also some of the offices on the north eastern side, for \$415 000. Electric panel and circuitry replacement, because we have had a number of near-miss fires, would cost \$70 000; fire suppression and server room fire suppression, \$2.1 million; air-conditioning master plan, \$2.79 million—does the member want me to keep going?

**Mr Z.R.F. KIRKUP:** If that is okay. I think it is of interest for many of us here in relation to safety and security of the building.

**Mr R. Hunter:** I will speed it up a bit. Business cases were made for chamber audio system, \$300 000; financial management system, \$500 000; replacement of division bells, \$250 000; courtyard walls refurbishment, \$300 000; stonework restoration of the building facade, \$265 000; Legislative Assembly committee rooms broadcasting upgrade, \$200 000; replacement of the windows in the 1964 extension, \$900 000; internet protocol telephony, \$150 000; information technology infrastructure replacement, \$200 000; security infrastructure replacement and upgrade, \$4.2 million; Hansard recording system, \$80 000; master antenna television, which is the internal TV, \$100 000; replacement of office doors and timber restoration, \$828 000; and members' offices refurbishment, \$800 000. By the way, members' offices refurbishment is our last priority. To put that in a more succinct statement, we have about \$23 million of expenditure over the next 10 years and we are \$13 million short of being able to achieve that.

**Mr Z.R.F. KIRKUP:** I understand, unfortunately, by the sounds of it, a lot of these business cases are for maintenance projects and they were essentially knocked back by the government. Can the Speaker give us an understanding of the security upgrades that would have been possibly flagged by Parliament? I imagine that is a relatively high requirement given the nature of this building. Can I have an understanding of what that might have entailed?

**Mr R. Hunter:** Madam Chair, I am not sure exactly what the question is.

**Mr Z.R.F. KIRKUP:** What would the \$4.2 million set aside for security upgrades have funded if we had received that funding from the government?

**Mr R. Hunter:** I will talk in general terms about security because, obviously, this is not the forum for being specific. Essentially, when we look at security, we look at three aspects. One is surveillance activity; we keep an eye out for things that are going on or may be a threat to Parliament or people coming to Parliament. That is the people aspect of it. The infrastructure aspect of it is door control systems, monitoring with cameras and swipe cards et cetera. Then there is a response capability, which is how we deal with an incident if an incident were to occur. For those things to come together, we need a fairly vigilant system of checking people before they come in, making sure that they are not carrying weapons or anything potentially harmful, and being able to respond in the case of an emergency. Parliament is wanting primarily in its response capability. Without going into too much detail, we have a fairly good system of vigilance in monitoring, and forensically we can go back and look at cameras and see what has happened, but the key thing is to have a response capability. Our system, which is fairly overt, relies on the goodwill of the WA Police providing protective security officers, but that is the extent of our response capability, and we really need a closer look at that.

When we say \$4.2 million, it sounds like a big investment, but some of the other Parliaments have advanced their security systems considerably to allow for more rigour around the screening process before people enter Parliament, and we would like to see a bit more done in that space.

**Dr M.D. NAHAN:** We have a planned or desired capital works program for Parliament of \$23 million over 10 years of which \$13 million is short.

**Mr R. Hunter:** Yes.

**Dr M.D. NAHAN:** What happens if that \$13 million is not spent in a suitable time? I assume that this is a heritage-listed building and we have certain criteria to keep it up. Is that a relevant factor in some of these investments?

**Mr R. Hunter:** Yes, it is. It is certainly a factor in maintenance issues. Heritage is an important part because everything we do has to go through the Heritage Council. We can make minor changes in the chambers and within offices, but if we are starting to look at windows or doorframes or changing the facade, it has to go through the Heritage Council, which has worked with us extremely well. The issues that are likely to encroach on our ability to provide good services to members are things such as the leaky roof. After the 30 November sitting last year, we had a leak up in that corner. It was leaching down the wall, but it was a Friday so everyone had gone and no-one noticed it. We waited for it to dry out and we painted it. The Leader of the Opposition's former office used to leak profusely through the roof.

**Dr M.D. NAHAN:** That is water, not words!

**Mr R. Hunter:** We had a bucket on the ground catching that water. That eastern facade is particularly problematic. At some stage, the investment has to happen, because without it we will see a depreciation in our services. We have to reprioritise. As much as I am loath to do this, when we cannot meet our operating costs and keep the building in a functional and pristine condition, we need to look at other things, such as whether we delay a staffing appointment so that we can spend the money on fixing a leaky vent, such as the \$8 000 we spent on the vent above the Aboriginal People's Room. It makes an impact. We are fortunate that we can prioritise things fairly quickly, but right now the air conditioning in some of the offices on the first level, eastern side, has failed. The air conditioning has failed in the office of the Leader of the Opposition in the upper house and a couple of those offices along that corridor. There is no air conditioning whatsoever, which is okay because it is mild right now. However, we cannot fix those offices without dropping the ceilings. The existing air conditioner is from 1996 and uses a two-pipe system with an old kind of gas. The investment for that tranche to do that corridor is about \$480 000.

**Dr M.D. NAHAN:** That has been a problem for a while.

**Mr R. Hunter:** It has been a big problem for a while.

**Dr M.D. NAHAN:** I had a room there. To clarify what Mr Hunter said about the accommodations outside, for a while there has been debate about shifting staff around and into new accommodation. It was largely an expenditure-saving exercise. I understand that the project has been put on hold, to a large extent, from what Mr Hunter said. What would have been the savings if we had had the investments to make the change?

[9.30 am]

**Mr R. Hunter:** I can only talk for the Parliamentary Services Department, but our lease costs plus outgoings were \$308 000 a year. The proposition to the government was that we would like to retain that \$300 000 because we were going to relocate people into the repurposed fountains. We get only \$1 million a year, so that \$300 000 was quite significant, but as I earlier advised the answer was no. The impact was that we had to relook at our priorities to establish the bare minimum maintenance needed, and we are basically crossing our fingers and hoping that nothing happens.

**Dr M.D. NAHAN:** This year there has been a substantial increase in security guards around Parliament House.

**Mr R. Hunter:** Yes.

**Dr M.D. NAHAN:** Does the Parliamentary Services Department have to wear those costs, or who covers those costs?

**Mr R. Hunter:** No, they are not our costs; the WA Police Force is currently funding protective security officers. The original concept was that 40 officers were to be deployed across a number of sites, including Dumas House, Curtin House and Parliament House, but that has now been scaled down to I think 14 or 16 officers. At this stage we are not paying for them; I hope we will never be billed for them. They have certainly added some value in the way of a physical deterrent. There has not been an incident when they have had to pull out their weaponry or do anything too serious, but they are vigilant and keep an eye on the ground. We are grateful for that and we are grateful that we are currently not paying for it. If we had to pay for it, we would be in trouble because we would not then be able to meet some of our other costs and expenses.

**The CHAIR:** I remind members that there are two divisions in this hour, so members need to let me know when they are ready to move on.

**Mr Z.R.F. KIRKUP:** I have another question on the courtyard. I would like to understand how those costs are going and whether there are any maintenance issues.

**Mr R. Hunter:** On the courtyard, we have coined the phrase from *Field of Dreams*—“If you build it, they will come.” For a long time, we were a long way short of having an appropriate function space. “Function space” sounds a bit glamorous, but considering that a lot of people come here, we needed a place to convene, whether for a minister hosting a particular event or a parliamentary event such as World Bee Day. We put up what some people might consider to be that fairly gaudy canopy, but it was what we could afford. People started to use the courtyard to a much greater extent, but they also noticed that it was almost like a sauna on sitting days—I say “almost like a sauna” because I am being gentle with the words. Consequently, we got extended use—a little like a pool blanket—of the courtyard area, but once people started moving into that space, there were complaints about the heat, and no doubt there will be complaints about the cold when it gets a bit more wintry. There have been mitigations to try to prevent those things, but it is taking some time because we are learning as we go. We have installed some fans to circulate the air, obviously. We have installed a vent, which members may not yet have noticed, and a second vent will be installed. That has made quite a dramatic difference to the airflow. We have a couple of air conditioners that look like Daleks that circulate some cool air. So we are extending the period of use, although it has not achieved exactly what an atrium over the top would have achieved. As to the associated costs, the Daleks cost us \$3 200—about \$1 600 each—and the fans, installations and venting was about \$10 000. The original cost of the courtyard canopy was \$77 000, and putting on the further costs we are probably getting close to \$100 000.

**Mr Z.R.F. KIRKUP:** Is the courtyard paving and things like that all finished and done? Are there any issues with that?

**Mr R. Hunter:** It is almost a bit like a waterbed because the membrane was settling.

**The SPEAKER:** Do not try and sleep on it!

**Mr R. Hunter:** I am assured that people cannot fall through them. They sit on a buzon, and as the buzons settle onto the membrane, they adjust a little. So from time to time, depending on where we stand on the paver, people might feel just for a second a sense of falling. That will be quickly eliminated by the fact that it will stabilise. So it has a little movement, but we are adjusting it. It is a constant process, and we will do it again in the winter recess. I am happy that it has improved from where it started, but I think it will be a continual thing.

**The appropriation was recommended.**

**Division 2: Parliamentary Commissioner for Administrative Investigations, \$7 410 000 —**

Ms L.L. Baker, Chair.

Mr P.B. Watson, Speaker of the Legislative Assembly.

Mr C.J. Field, Parliamentary Commissioner for Administrative Investigations.

Mrs G.M. White, Deputy Parliamentary Commissioner for Administrative Investigations.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee’s consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The Speaker may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the Speaker to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the Speaker's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if the Speaker asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

The Leader of the Opposition has the call.

**Dr M.D. NAHAN:** I refer to page 49 of budget paper No 2. Under "Service Summary", the total cost of service for the Parliamentary Commissioner for Administrative Investigations has gone from \$11.4 million to \$9.9 million—a 12.7 per cent reduction in service costs. Could the Ombudsman explain the source of that?

**Mr C.J. Field:** I thank the honourable Leader of the Opposition for his good question. The principal reduction in costs from 2017–18 to 2018–19 really arises from issues around reductions that we have achieved through a continuous improvement program that we have put into place in relation to our particular costings and our delivery of complaint resolution services. In 2007, when I first commenced in this office, there was a very clear understanding that we ought to reduce the costs of our complaint handling but also increase access to justice. We achieved an around 36 per cent decrease in the cost of delivering resolutions to complaints at that time. We also very significantly reduced the average time of answering complaints from around 170 days to around 40 days. That was never meant to be a static or one-off program, and it has been very much the case that I, my corporate executive and the outstanding deputy I have working with me have always been about continuing to improve. We have had a number of voluntary separations during the period—some under the government's voluntary targeted separation scheme and some initiated by us. I stress, of course, they are all voluntary, and they really will in the long term give us a very sustainable budget footing to still be able to deliver the same quality of services that the Parliament has hitherto expected of me and I can continue to guarantee can be provided.

[9.40 am]

**Dr M.D. NAHAN:** If this is a continual reform agenda going back 12 years, my issue is that there is a very sharp reduction in 2017–18 to 2018–19—a one year drop of 12.7 per cent. If it was a continuous assessment, we would expect back to 2016–17 to see some reduction. There was some, to be fair. There is no reduction in FTEs this year; there are 66. It is a very sharp reduction in expenditure in one year. There is no reduction in FTEs, which, in the Ombudsman's case, is the largest individual source of cost.

**Mr C.J. Field:** Absolutely.

**Dr M.D. NAHAN:** When we look to the spending changes, they do not add up to much.

**The SPEAKER:** Mr Field.

**Mr C.J. Field:** Let me be even more precise for the Leader of the Opposition, because I think it is really warranted by his question. The 2017–18 budget was \$10 148 000 and the budget estimate for 2018–19 is \$9 985 000, so it is actually a really modest reduction. The estimated actual in 2017–18 is higher because there are some one-off expenditures in that year that fund that voluntary separation process. We are spending some money that is over budget and approved through the Expenditure Review Committee process and that is based on the idea that we are trying to say that we want to make sure that we can continue to deliver our services as efficiently as possible—so through the ERC process, we were able to obtain some additional spend, and that is a one-off. The Leader of the Opposition will see from the \$9 985 000, 2018–19 out years, it is just a cost-escalating increase. The figures for 2017–18 compared to those of 2018–19 are a very modest reduction, so it is really in the 2017–18 estimated actual. The actual is based on the fact that we have incurred some voluntary separation expenditures that have been approved by the ERC. They are one-off, so they will not continue into the future.

**Dr M.D. NAHAN:** The biggest one-off was the Ombudsman's management of the streamlined budget process incentive program of \$1 million. That is under spending changes for 2017–18 on page 48 of the *Budget Statements* that shows additional moneys of \$1 million for the 2018 streamlined budget process complaint resolution service and voluntary separations.

**Mr C.J. Field:** Exactly. The SBP—streamlined budget process—was I think about \$66 000, and that was to do with some complaint increases. It is as the Leader of the Opposition precisely says: it boiled down to our looking at where we were a couple of years ago. We made decisions based on asking: could we do things more efficiently? We were mindful of overall economic circumstances and cycles, so we looked at voluntary separations as opposed to the voluntary targeted separation scheme and our own initiated ones, and went back to the ERC and said that we needed one-off funding for this year. That is that line item the Leader of the Opposition is referring to. It should also be said that they were funded from cash on hand, as my deputy has reminded me. They were not funded from new appropriations from the government or from the taxpayer, of course, very much in keeping with our longstanding policy to spend the least amount of taxpayers' dollars as possible; they were funded from cash on hand.

**Mr Z.R.F. KIRKUP:** On page 50 in relation to efficiency indicators, there is reference to the cost of monitoring and inspection functions. I am keen to understand the cost associated with that, which is nearly half a million dollars. Why is it slightly under the budget estimate and the target slightly more expensive? I am trying to understand that function.

**The SPEAKER:** Mr Field.

**Mr C.J. Field:** I thank the member for his question. We have a range of inspection monitoring functions that Parliament has granted us over time, particularly in relation to telecommunications intercepts and criminal organisation control, sometimes referred to as bikies legislation, of course. In all those functions, as with all our functions, we are trying to provide them at least cost. We are always looking for any efficiencies we can have in relation to those particular functions. Our aim is always, in any given year, to deliver below budget and get that on a trend basis and reduce the targets as well. Once again, it would stretch credulity if, every single year, we were under that. It just means the target should go down. It is an interesting observation about the Ombudsman in 2018, not just here but in other states and, indeed, internationally, that we have moved from the more traditional roles of complaint handling and major royal commission-type investigations to these functions, which Parliament has asked me to do.

**Mr Z.R.F. KIRKUP:** I appreciate that response. I am trying to understand for that figure how many inspections are undertaken or the like.

**Mr C.J. Field:** Thank you, honourable member. We put in our annual report the number of inspections we do. We are required, for example, under the telecommunications intercept legislation, I think, to undertake two to four a year. We tend to do a little bit more than that. It is done differently around the country. I think the commonwealth does it all in one hit. It sends its staff out and they spend weeks in an organisation, some very regularly. We find the most efficient process—no disrespect to the commonwealth—is to do it on a slightly more regular basis. The criticality is this: the number of inspections is a relevant consideration because we think more tends to be slightly more efficient. Even though that might sound slightly counterintuitive, that is our experience. It is really about making sure that warrants and matters that have to be inspected are inspected in a way that gives us the confidence that we can report to the relevant minister about compliance with the relevant legislation, so it funds the amount of inspections required to give that level of confidence.

**Mr Z.R.F. KIRKUP:** In that case, it is entirely to make sure the Ombudsman meets the statutory obligations and nothing in excess of that?

**Mr C.J. Field:** Honourable member, that is absolutely correct. We never do any more inspections than required to satisfy me as the principal inspector that we are satisfying our obligations.

**Dr M.D. NAHAN:** For my purposes, can the Ombudsman describe his role around water and energy complaints?

**Mr C.J. Field:** Leader of the Opposition, I am delighted to do so. Our principal role, of course, is that of the Ombudsman and officer of this Parliament. I am also asked to do some other roles in this state—one is the chair of the State Records Commission, and in relation to the Leader of the Opposition's question about the energy and water Ombudsman, it covers electricity, gas and water. We take complaints from citizens about those matters that are in jurisdiction—mainly the provision of services as we understand it of electricity, gas and water. Some matters are outside my jurisdictions such as policy matters, tariff increases and other matters. In that particular area, we resolve complaints through a methodology of early dispute resolution. But ultimately—this is a point of difference from a parliamentary Ombudsman's traditional model—we have determinative powers, so we can determine a dispute as opposed to making a recommendation at the end of an investigation.

**Dr M.D. NAHAN:** The focus is mainly on households, I take it.

**Mr C.J. Field:** Honourable member, absolutely. The Leader of the Opposition is absolutely correct and it is principally on households. It can go up to smallish businesses—for example, a bakery or something like that.

**Dr M.D. NAHAN:** What has been the growth in demand for the Ombudsman's service for electricity, water and gas over the last few years, including expectations going forward?

[9.50 am]

**Mr C.J. Field:** I think this year the trend for complaints is down or very stable. We had some increase from 2015–16 to 2016–17. Over the time that I have been the Ombudsman, apart from one very significant spike in complaints many years ago, which, as a matter of public record, principally related to billing changes in the Synergy billing system, although it has not been a straight line, it has been a lumpy curve. We are not projecting anything like significant highs—the upper being 2016–17 compared with 2015–16 and back again this year.

**Dr M.D. NAHAN:** The Ombudsman deals not so much with difficulty paying bills, but lack of clarity with the billing process or disputes about the amount of energy or water consumed. With complaints, what type of issues does he deal with?

**Mr C.J. Field:** The Leader of the Opposition is 100 per cent correct. That is an excellent way to describe it. All around the country, 60 to 70 per cent of complaints that come to energy, water or telecommunication ombudsmen are based on billing. The bills may not necessarily be high bills, but that can be one reason. It can be misunderstanding of bills et cetera. We look at why people have concerns about their bills, but that will not necessarily be about a payment difficulty. Of course, we are very sympathetic and supportive to complainants who contact us and we may assist by referring them to other services in the state that can assist.

**Dr M.D. NAHAN:** As local members, we often get an increasing number of complaints about self-read bills or averaging over time for water and electricity—I do not know about gas. Is the number of complaints of that nature increasing?

**Mr C.J. Field:** Can I make an incredibly quick digression to say that a lot of the helpful information we get about complaints at our office is from local members of Parliament. We are always sincerely appreciative of that. We regularly take those calls at my office and it is a welcome source of complaints. The matter the member raised about estimated reads or billing reads is absolutely a source of complaints to my office. I would have to check whether the number is going up or down. I have been told by my deputy that it is about stable, but neither of us would want to guess in this place. With the indulgence of Mr Speaker and Madam Chair, I can certainly provide the Leader of the Opposition with precise figures on that if he would like us to do so.

**The CHAIR:** Is further information going to be provided?

**Dr M.D. NAHAN:** No.

**The CHAIR:** No? The member is not requesting that, but thank you for the offer.

**Mr Z.R.F. KIRKUP:** My question relates to the asset investment program on page 51. I note that it is usually \$208 000, but for 2019–20 it is \$242 000. I am keen to understand what the jump in the AIP is.

**Mr C.J. Field:** I am incredibly sorry to the honourable member, who is always very generous to my office with his questions, but I wonder whether that could be repeated.

**The CHAIR:** Member for Dawesville, would you like to repeat your question, please?

**Mr Z.R.F. KIRKUP:** In relation to the asset investment program on page 51, I note that in 2018–19 it was \$208 000 and now it is \$242 000. I am keen to understand what that increase is, if we can.

**Mr C.J. Field:** I thank the honourable member for his question. I hate to speak the entire time so, with the indulgence of Mr Speaker and Madam Chair, I will hand to my deputy.

**Mrs G.M. White:** Lower down on that page, the member will see \$34 000 funded by internal funds and balances, which was a carryover for some capital expenditure that we had deferred from a previous year. That increase is to make up that capital expenditure in the next year.

**Dr M.D. NAHAN:** On page 49, I read that one of the Ombudsman's remits is the review of overseas student appeals. It is a very important industry. Could the Ombudsman give us a run-down of the pattern of demand and the types of issues he deals with? I had no idea that he dealt with that area.

**Mr C.J. Field:** That is an excellent question. Mindful of the time, I will answer in two parts, but briefly. As a general matter, we have jurisdiction to take complaints from students at university. Of course, the jurisdiction of the Ombudsman is principally for state government, public authorities and departments, local governments and also for universities in the state. A separate jurisdiction is covered by a national code—that is, appeals in relation to overseas students. Of course, it is a very important market for this state and this economy and one that we all welcome. But it is important that there is a protection mechanism for appeals for overseas students. What do they principally relate to? They usually come around the time when people have a concern about marks and other matters that would otherwise see them not be able to retain their course placement. Of course, because of visa conditions, people have some concerns and we tend to get complaints at that stage. Off the top my head, I do not have the exact number of complaints, but it is included in the annual report. Once again, I would be delighted to provide that information either to the Leader of the Opposition's office privately or to the Parliament generally.

**The CHAIR:** Could you repeat for Hansard the content of the supplementary information?

**Mr C.J. Field:** I would be delighted to provide a precise number of the review of overseas student appeals or provide any other information that is sensible to provide related to that. I can go back over the last X number of years to give the Leader of the Opposition a picture of that.

**The CHAIR:** How many years would you like?

**Dr M.D. NAHAN:** I would like 10 years.

**Mr C.J. Field:** How about I go back as far as we have held that function.

[*Supplementary Information No A3.*]

**Dr M.D. NAHAN:** About four or five years ago we had a problem particularly with students from India in TAFE. There were some really serious issues. Have those eased in recent years?

**Mr C.J. Field:** I am not aware that that is a current issue with our complaint database. The Leader of the Opposition is absolutely right. Once again, I am very mindful of the need to provide critical access to justice and fairness for those students and the incredible economic importance of that market for us, which also has incredible connections to our culture and economic ties to our near Asian neighbours. They are very important issues and we take them seriously. I will provide any information I can sensibly provide. Although it is not strictly part of the estimates process, if the Leader of the Opposition's office has any further questions, it should not hesitate to contact my office if I can provide more information.

**The appropriation was recommended.**

[10.00 am]

**Division 16: Primary Industries and Regional Development — Services 1 to 5, Regional Development, \$369 791 000 —**

Ms L.L. Baker, Chair.

Mr M. McGowan, Premier representing the Minister for Regional Development.

Mr R. Addis, Director General.

Mr N. Grazia, Acting Deputy Director General, Industry and Economic Development.

Mr J.K. Ruprecht, Acting Executive Director, Business Development.

Mr B. Sabien, Acting Executive Director, Investment Management.

Mrs R. Ball, Acting Chief Executive Officer, South West Development Commission.

Ms M. Barnes, Manager, Partnership Management and Project Monitoring.

Mr P. Gregson, Manager, Royalties for Regions Financial Management.

Ms M. Taylor, Chief Finance Officer.

Ms M. Murphy, Acting Managing Director, Business Performance.

Mr C. Thurley, Principal Policy Advisor.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The Premier may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the Premier to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the Premier's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if the Premier asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

We can start questioning with the Leader of the National Party.

**Ms M.J. DAVIES:** I refer to the second dot point on page 189 of budget paper No 2, public sector reform initiatives and the organisational structure of the Department of Primary Industries and Regional Development. I am wondering whether either an organisational chart or an outline of the organisational structure of the department can be provided from a regional development perspective.

**Mr M. McGOWAN:** I am really sorry, I could not hear what the member said.

**The CHAIR:** Can you repeat that please, member?

**Ms M.J. DAVIES:** I refer to the second dot point on page 189 of volume 1, public sector reform initiatives, the whole-of-government changes and the fully integrated organisational structure for the agencies. Can we have an organisational chart for the department provided by way of supplementary or can the Premier explain the changes? A lot of acting roles were just described.

**Mr M. McGOWAN:** The member referred to page 189 and “the fully-integrated organisational structure to drive cultural change and deliver cost savings and services in the most effective way”. As we know, the organisation is larger and has more functions, I suppose you could say, than the former arrangement because the portfolio contains Agriculture and Food and Regional Development and Fisheries, which, I think, fit together fairly well. From memory, this reflects the arrangements that are in place in other states. It means that it is a bigger, more integrated agency. In terms of what has occurred inside the agency, in February 2018, the Public Sector Commission approved the structure, in particular for the senior executive service positions. We achieved the 20 per cent reduction in SES, which was the government’s target to save, from memory, \$26 million per annum across the public sector. The remaining part of the design process is due to be completed in October 2018, which is the exact structure of the lower levels for the long term. Perhaps we can continue with other questions. I am happy to release here today whatever is publicly available on the structure of the organisation, obviously bearing in mind that some positions and where people will sit at the lower level have not been resolved. I will ask Mr Addis to comment on that.

**Mr R. Addis:** Thanks, Premier. We have completed the senior executive service structure, which is tiers 1 to 4. That was completed before Christmas and we have since been recruiting and locking in those key roles for the new department. In January–February, we commenced the detail of design for the remainder of the department, which is the bulk of the workforce, and we are making good progress with that. We expect the design to be completed by June and to transition to the new structure by September or October. We can provide the senior leadership structure, which defines the overall architecture of the organisation now, but we cannot provide a full all-chart because that detail design work from tier 5 down has not yet been completed. I think it is on the website, but we would be happy to provide it as supplementary.

**Mr M. McGOWAN:** I am happy to provide that by way of supplementary information.

**Ms M.J. DAVIES:** Can I just clarify what they are providing?

**Mr M. McGOWAN:** We are providing by way of supplementary information the structure that has already been decided inside the organisation. We cannot provide what is not decided and not resolved. I am happy to provide that by way of supplementary information the structure that is decided within the organisation in tiers 1 to 4.

*[Supplementary Information No A4.]*

**Dr D.J. HONEY:** I refer to the reduction in funding for community resource centres from \$13 million per annum to \$8 million per annum on the third line in table 1 on page 175 of budget paper 3. Has any analysis been done on the impact of those cuts on local communities?

**Mr M. McGOWAN:** Just for clarification, Madam Chair, do we deal with budget paper 3 at the same time; is that correct?

**The CHAIR:** Yes. It is part of the division, Premier, so we can just free-range.

[10.10 am]

**Mr M. McGOWAN:** Sorry; can the member for Cottesloe repeat the question now that I am aware of where we are?

**Dr D.J. HONEY:** Has there been any analysis of the impact of those cuts on local communities?

**Mr M. McGOWAN:** I have answered this question largely in Parliament and I will answer it again for the member in a plainer sense. The funding for the CRC program will increase to \$8 million per annum from 1 July 2019. The CRC program funding from 2009–10 to 2015 increased from \$5.9 million to \$13 million, or by more than 100 per cent over the course of five years. We are taking it back to a more realistic trajectory than it would have been had a normalised trajectory of funding been in place for the CRCs. According to the advice I have, the average funding for each CRC grew from \$20 000 a year to around \$100 000 over that period. Obviously, it is difficult to sustain that in the environment that the state currently faces. We have engaged in a consultation process with the CRCs about how the money that has been allocated in the budget will be allocated to them. The Minister for Regional Development has written to all CRCs outlining our proposed funding model, under which 76 CRCs will be offered \$70 000 per annum, which is significantly more than they were allocated eight years ago, and 27 CRCs will be offered \$50 000. As I have said before, there are 104 CRCs. I will let the director general explain the model on which we are currently consulting.

**Mr R. Addis:** Niegel Grazia is best placed to answer.

**Mr N. Grazia:** The review is underway and the model that the Premier has described has been communicated to the CRCs for comment and feedback. That is the stage of the process that we are in. The funding split is determined by the proximity of CRCs to larger communities such that they potentially have a wider opportunity to supplement their programs with external sources of income. Around 3 000 CRCs are located within a community of size, from memory. We are also looking at CRCs that might be located within 35 kilometres from such a community. We are looking at those parameters at the moment and engaging with the CRCs for feedback.

**Mr M. McGOWAN:** The proposal, essentially, is that the vast majority of CRCs will get \$70 000 per annum, and a smaller number—a quarter—will get \$50 000 per annum. It is decided largely upon location, so the more isolated the CRC, the more likely it is to get the higher grant, and the more the CRC is located in a big community in which other services might be available, the more likely it is to get the smaller grant. If CRCs are in close proximity to one another, it is more likely they will get the smaller grant. We think we have done our best to make it as fair as possible, but it is out for consultation and we will see what the CRCs come back with in the process. Members of Parliament, the minister and the like are having conversations with the CRCs about it.

**Dr D.J. HONEY:** Do we think this will have any effect on the provision of Centrelink and of state government programs through the CRCs?

**Mr M. McGOWAN:** I would like to see the CRCs look outside the state and to local government and the commonwealth government to see what grants programs might be out there and whether there are private sector organisations, non-government organisations and other areas from which they can secure funding so that they do not have complete reliance upon the state. If local governments or the commonwealth want to assist CRCs in their communities—they might have certain functions they want delivered by the CRCs—that would be a good outcome and it would mean the burden is shared more fairly across all levels of government providing these services. Different CRCs in different towns do all sorts of different things. I do not want to go into specific examples, but some of those services might be better offered by the training sector, an NGO or the commonwealth government; it depends on the individual circumstances of the town. I know that regional people are very self-reliant and they do not necessarily want to always rely upon the state. Therefore, we are happy to work with CRCs to secure support for them, but if we can find other ways I would have thought most people would say that is a good outcome.

**Ms M.J. DAVIES:** In addition to consultation with the CRCs, which I understand is being done by correspondence, have any other meetings been held by the department or the minister, and where have these been? I am happy to take that as supplementary information.

**Mr M. McGOWAN:** I will ask the director general to comment in a moment, but knowing the Minister for Regional Development as I do, I expect she has had a lot of conversations and a lot of meetings, because, as we know, she is an indefatigable and very proactive person. Some members have also had conversations with CRCs in their regions to talk about options and the like. The feedback has been relatively positive. There is an understanding of the state's financial position, and if we can find other sources of support, that will be a good outcome for everyone. I will let the director general comment on any other consultation processes that might have gone on.

**Mr R. Addis:** There has been a range of meetings with the minister and also with departmental staff. In particular, there was a meeting with eight small CRCs in Gnowangerup. I understand there has also been a meeting with CRCs in the Murray–Wellington area. Mr Grazia might have some further context.

**Mr N. Grazia:** We have also had representation from the Shire of Narembeen. We are engaging with a group at the moment that is looking to work with government on understanding solutions. I will also be meeting with a number of CRCs as part of the process of finalising the agency's report.

[10.20 am]

**Ms M.J. DAVIES:** In addition to the Premier, I understand that the Shire of Narembeen has been coordinating some of those community resource centres, but is the department seeking, through the consultation process, formal engagement rather than waiting for the shires or the community to come to the department? Has there been a request to local governments or any of the other stakeholders as part of the consultation process?

**Mr M. McGOWAN:** It has been known for a period—probably since the last budget—that the budget was contracting. I think the Minister for Regional Development has written to all the CRCs seeking their advice on the model that the minister is proposing. To me, that seems like fairly expansive consultation. She is also, as we just heard, out there talking to people and the like—meeting with people about it. It seems like expansive consultation to me. I know that some people will not want any change and I know some people will just say, “Keep spending the money”, and, therefore, we will not keep those people happy. On the other hand, we are trying to get the best model we can in which no CRC closes and we look for additional sources of funding that might be available to assist them. I think the department is working on that. I will hand over to Mr Addis to add something to that.

**Mr R. Addis:** Until now, the department has engaged Linkwest, which is essentially a non-government organisation, to provide a form of overarching network governance and support. The minister has met a couple of times with Linkwest in the course of shaping the thinking about how we might implement these budget changes. The minister and the department have both taken the view that we need to get a much broader engagement than just through Linkwest. We are looking for CRCs and groups of CRCs that want to engage constructively in how we make the most of what is undoubtedly a difficult budget circumstance overall. We continue to engage with all parties who want to talk on those terms to try to find the best way of getting the balance out of this.

**Mr I.C. BLAYNEY:** I refer to the fourth item under “Explanation of Significant Movements”, “Regional Social Amenity Development”, on page 195 of volume 1 of budget paper No 2.

**Mr M. McGOWAN:** Is this at the bottom of the page?

**Mr I.C. BLAYNEY:** Yes. Given the social amenity provided by royalties for regions, can the Premier outline what services were funded out of the consolidated account in the last budget but are funded this year out of royalties for regions? What is the value of these services this year?

**Mr M. McGOWAN:** I am looking at page 195—correct?

**Mr I.C. BLAYNEY:** Yes.

**Mr M. McGOWAN:** I am looking at “Regional Social Amenity Development”—correct?

**Mr I.C. BLAYNEY:** Yes.

**Mr M. McGOWAN:** That is about funding recreational fishing, education, health and connectivity et cetera—correct?

**The CHAIR:** Can we ask the member for Geraldton —

**Mr M. McGOWAN:** I am not really sure how that question relates to the part of the division that the member is referring to.

**The CHAIR:** I understand. Can you clarify that, member?

**Mr I.C. BLAYNEY:** When we talk about regional social amenity, we are not talking about just the things mentioned in that table. From its inception, the broad purpose of royalties for regions was not just in these small, specific areas. We are aware that large amounts of royalties for regions money is now funding normal government expenditure. We are wondering whether we could have a total figure.

**Mr M. McGOWAN:** The answer is yes. At page 170 of budget paper No 3 the member will find page after page of initiatives across regional Western Australia that are funded by royalties for regions. I am up to about 10 pages now. The information is all there. As we indicated prior to the election, and as we have indicated since, we are keeping the program. It is the law of the state and we are funding important priorities across Western Australia. If the member wants an additional list on top of that, I am not sure how I could give him anything more than what is on pages 170 to 179, which is 10 pages of royalties for regions—funded projects, programs, initiatives and capital works. It is all there.

**The CHAIR:** Member for Geraldton, the Premier is referring to budget paper No 3.

**Mr I.C. BLAYNEY:** I am aware of that table.

Is the government tracking the amount of royalties for regions money that, in effect, is not funding new things in the regions; it is now being substituted? For example, a large figure is there for education. At the inception of royalties for regions, regular education expenditure was not really seen as what royalties for regions was for. I am wondering whether the government is keeping a total of the amount of substitution that is taking place of royalties for regions money for what was previously considered to be normal government expenditure?

**Mr M. McGOWAN:** Back in maybe 2010, I visited City Beach Residential College in the city, which is where regional students come to stay, and I think might attend Perth Mod. I think a \$6 million upgrade of that educational facility was funded out of royalties for regions.

**Mr D.T. REDMAN:** No.

**Mr M. McGOWAN:** Yes, I think that is right. We will test my memory versus the member’s. I was not a minister at that time but I have a strong memory of it.

An upgrade to City Beach Residential College was funded from royalties for regions. It was a city building and that was in Education. The member for Geraldton said that we are funding education by substituting things—whatever he said then. I heard the opposition leader say during debate the other day that the Liberal Party substituted a spend in royalties for regions for other programs. I think back to that and I do not really understand the point the member is making. The former government funded City Beach Residential College out of royalties for regions, which was a building in the heart of the western suburbs of Perth, which historically had always been funded from the consolidated account. There it is—that is what happened under the former government. What are we doing? We are funding all sorts of school improvements and the like across the regions out of this program. The former government did exactly the same thing.

**Mr I.C. BLAYNEY:** The Premier sort of asked me a question. I was wondering about the quantity of it. I could point to a couple of cases in my electorate in which the same thing happened. I refer to the bridge across the Greenough River, which had \$10 million from royalties for regions, and the new buildings at John Willcock College as part of the transition of year 7s into high school. They were both funded from royalties for regions. One could argue both. It was more the quantity of it that we were wondering about.

**Mr M. McGOWAN:** That is difficult to define. I pointed out during debate the other day that in the late 2000s, when I was a minister, I visited the new Fitzroy Crossing Hospital that had been built out of the consolidated account. I also went to the new Geraldton Hospital that had been built out of the consolidated account. I went to the new Port Hedland hospital that had been built out of the consolidated account. I went to Denmark to visit its lovely hospital built on the riverbank. I recall that Denmark hospital was a very controversial issue. That new hospital was funded out of the consolidated account. Just the other day when I was in Karratha, I walked past the new Karratha hospital. That was funded from royalties for regions. Again, I think the member for Geraldton is making a political point. I could point out all sorts of examples to the member of port and hospital facilities that were funded from the consolidated account under the last Labor government and funded out of royalties for regions under the last Liberal–National government. We can go round and round on this argument if the member wants. I can find as many examples of this sort of thing under the last Liberal–National government as the member could potentially find in these budget figures under this government. I am happy to go through it at length, and I will find lots of examples for him.

[10.30 am]

**Mr D.T. REDMAN:** I refer the Premier to page 196 of budget paper No 2. Item 5 at the top of the page is headed “Corporate and Business Development Services Provided by the Department to Support RDCs”. One of the projects that I assume the South West Development Commission is involved with is the Busselton–Margaret River regional airport. Can the Premier outline the exact role the commission is playing in the Busselton–Margaret River regional airport upgrades and the nature of the advice from the commission to the minister on, firstly, supporting the project for the terminal upgrade, and, secondly, establishing an airline as part of that project?

**Mr M. McGOWAN:** I can give a broad outline and I might then hand over to Mr Addis to provide some more specific remarks. As the member for Warren–Blackwood would remember, the funding allocation for the airport was around \$70 million. As I understand it, \$55 million of that is currently committed in contracts. There is \$15 million or \$16 million that is not committed in a contract and is being held. From memory, that is for a significant terminal improvement, new terminal or something of that nature to replace the existing terminal. The reason that is being held is that we want to secure an airline before we spend that additional money, so that we get some outcome from what is a huge state-government spend. I understand that the Department of Transport has been working with the airlines to try to get one to commit to a Busselton service, particularly from the eastern states, because that was always the plan. We are trying to secure that prior to committing the spend, rather than committing the spend and having another \$15 million spent on a terminal that might not be used. To me, that sounds reasonable. I will hand over to Mr Addis to comment on that.

**Mr D.T. REDMAN:** Premier, what about the nature of the role of the South West Development Commission?

**Mr R. Addis:** Thanks, Premier. I think Mr Grazia is handling that matter and we obviously have the CEO of the commission here as well. I will hand over to Niegel.

**Mr N. Grazia:** I think the Premier has made the key point about the contract for the terminal being effectively put on hold while the City of Busselton finalises conversations with potential air service providers. The contract that is in place for the construction of the terminal remains on foot and can be activated with a successful outcome from the city’s negotiations. I do not know whether the CEO wants to add further comment from the South West Development Commission.

**Mrs R. Ball:** Thank you, Niegel; I am happy to comment. The member for Warren–Blackwood raised three specific questions. The first concerned the role of the commission with regard to the project delivery. We have a project officer on the chair of the project control group, which was set up to monitor the efficacy and progress of the financial assistance agreement with other government partners—the Department of Transport, Department of Finance and Tourism Western Australia. That is really an oversight role as part of our usual processes in managing financial assistance agreements. In regard to the question on airline attraction, we are working with Tourism WA, which has the lead role in working with the City of Busselton through a consultancy with three consulting Pty Ltd to advise on how best to strategically and tactically attract an airline, understanding that the tourism portfolio has greatest experience in airline attraction matters. On a more advisory level back to the minister, our chair, Nick Belyea, who is very experienced in regional airport development, is the point of liaison with airlines to encourage their expedient progress of taking forward negotiations to secure an interstate service.

**Mr D.T. REDMAN:** Through the Premier, the CEO of the commission mentioned an oversight role of the commission with the financial assistance agreement. Does that include assessment of whether the City of Busselton is meeting milestones, and does the financial assistance agreement include close to \$10 million currently withheld by the Department of Transport? Is that part of that financial assistance agreement?

**Mr M. McGOWAN:** I will hand to Mr Addis, who might comment.

**Mr R. Addis:** I will go straight to Mr Grazia and the CEO.

**Mr D.T. REDMAN:** I think Mr Grazia is pointing to the CEO.

**Mrs R. Ball:** The oversight role is as the chair of the project control group, amongst the other agencies, to hear back from the City of Busselton, which is the owner of the financial assistance agreement, and to report back on its progress against milestones. It is a reporting mechanism. The project control group has the right to question if there is not efficient progress against those milestones. That is the mechanism. Could the member for Warren–Blackwood repeat the second part of the question?

**Mr D.T. REDMAN:** Were the Department of Transport resources included in the financial assistance agreement, and has the City of Busselton not met any milestones?

**Mr M. McGOWAN:** Wait a minute.

**Mr D.T. REDMAN:** The CEO was simply clarifying the questions, Premier.

**Mr M. McGOWAN:** Yes, but the member for Warren–Blackwood knows the way that it works.

**The CHAIR:** It has to go through the Premier, member, I am sorry.

**Mr M. McGOWAN:** Can the member for Warren–Blackwood repeat the question, sorry?

**Mr D.T. REDMAN:** The CEO talked about an oversight role with the financial assistance agreement between the proponent—the City of Busselton—the Department of Regional Development and presumably the Department of Transport. Moneys have been withheld by the Department of Transport for the terminal. I am interested, firstly, in whether there are any milestones that the City of Busselton has not met. Secondly, are the resources in the Department of Transport part of the financial assistance agreement?

**Mr M. McGOWAN:** I will leave the question regarding the Department of Transport to the Department of Transport's estimates.

**Mr D.T. REDMAN:** Premier, this is a project that has oversight by the Minister for Regional Development.

**Mr M. McGOWAN:** I cannot answer questions on the Department of Transport.

**Mr D.T. REDMAN:** This project has oversight by the Minister for Regional Development.

**Mr M. McGOWAN:** The member for Warren–Blackwood can say it as much as he likes, but I am not answering a question on the Department of Transport; it is outside the standing orders. In terms of the other part of the member's question on milestones being met by the City of Busselton, I will seek advice.

**Mr N. Grazia:** In regard to specific provisions with the FAA, it may be better to take that on notice. What I can say is that all the actions taken to date have been in full consultation with the city. The city understands the position of the state and is working cooperatively in partnership in relation to the delivery of the project. I believe that the financial assistance agreement relates specifically to the royalties for regions component of the funding. The reason I am hesitating a little in answering the question is the \$10 million component—I think it is the regional airports development scheme, or RADS, component. Right now, I am not absolutely clear on the governance arrangements around that element as it relates to the transport portfolio.

**Mr D.T. REDMAN:** Is RADS royalties for regions?

**Mr M. McGOWAN:** No. There is \$44.5 million from the royalties for regions program and \$10 million from the regional airports development scheme, which is under the Department of Transport. My very strong advice to Mayor Henley and the council down there is to work with the government on this. We want to secure an airline before we invest another \$10 million or \$15 million. We have to get an airline; I would have thought everyone would agree with that. There will be a huge spend by the state there on the basis that there is an airline. We want an airline to commit. That is the process that is currently being gone through, rather than building a facility that sits there without an airline. To me, that sounds like commonsense.

**Mr D.T. REDMAN:** Can the Premier confirm that there are still resources available in the initial allocations under the financial assistance agreement to support the attraction of an airline and the attraction of services to that airport?

**Mr M. McGOWAN:** I will hand over to Mrs Rebecca Ball to answer that question.

[10.40 am]

**Mrs R. Ball:** There is a budget within the wider budget that has been contributed to by the City of Busselton for the airline attraction, and we understand some budget has also been earmarked from the Tourism portfolio for once an airline has been secured, but it would be up to Tourism to respond directly on that matter.

**Mr D.T. REDMAN:** From the answer to a question on notice that I got a little while ago, \$2.5 million is left in a Western Australian Treasury Corporation account as part of the allocation to the project from royalties for regions. Can the Premier provide the purpose of that resource that is left in the Treasury Corp account?

**Mr M. McGOWAN:** I do not know the answer to that question.

**Mr D.T. REDMAN:** That is why I am asking for it by way of further information.

**Mr M. McGOWAN:** Is that under the Regional Development portfolio?

**Mr D.T. REDMAN:** Yes, it is.

**Mr M. McGOWAN:** Okay, I will ask Mr Addis to comment.

**Mr R. Addis:** We would be happy to take that on notice.

**Mr M. McGOWAN:** I will provide that by way of supplementary information, but the member will need to tell us what it is.

**Mr D.T. REDMAN:** Just to clarify, under the financial assistance agreement, royalties for regions is allocated to the project. Because the proponent is a local government, that has gone into a Treasury Corporation account. Moneys are left in that Treasury Corporation account. I am asking the Premier to provide by way of further information what that resource is allocated for.

**Mr M. McGOWAN:** It needs to be specific. I do not know what account, what page or what we are dealing with.

**Mr D.T. REDMAN:** That is why I am asking the question. I thought it was pretty specific.

**Mr M. McGOWAN:** The member said that he had a question on notice. Does he have that question on notice? Can he read out the number?

**Mr D.T. REDMAN:** I do not think that is relevant. I am just saying that I have accessed information that tells me that there are residual funds in a TC account that were allocated to the project but have not been acquitted through royalties for regions. I think it is about \$2.5 million. I am asking what is the purpose of that residual resource.

**Mr M. McGOWAN:** Before I ask Mr Addis to comment, I will just say that sometimes there is money left because a construction contract came in under what was expected or something of that nature. I suspect the City of Busselton has been giving the member advice in relation to these things. However, I will seek some comment from the director general on this.

**The CHAIR:** Is it a supplementary?

**Mr M. McGOWAN:** I want to define it before I do because, as you know, Chair, if it is too broad we cannot answer it.

**The CHAIR:** Okay, so let us define it more.

**Mr R. Addis:** All moneys advanced to the city under the FAA are to discharge the project and meet the milestones and deliver it. To the extent that there are any remaining funds in the Treasury Corporation account, which is held jointly between essentially the city and the state, we will need to clarify the amount and what is the remaining purpose that needs to be fulfilled. Essentially that is covered in broad terms in the Premier's previous answer about where the project is up to. We would need to give more detailed consideration to the detail of what is left to be done with that money.

**Mr M. McGOWAN:** It is very confusing because —

**Mr D.T. REDMAN:** Would you like me to explain it again, Premier?

**Mr M. McGOWAN:** Maybe we can get some advice back before the end of estimates today and I can give the member the answer, because I do not know whether I can define it sufficiently for the purposes of supplementary information if I do not know the question to which he is referring.

**Mr D.T. REDMAN:** I thought by way of further information would be a perfectly logical way of getting it.

**Mr M. McGOWAN:** For supplementary purposes, I am happy to provide information on what funds remain in the WATC account for that project, why and for what purpose.

**The CHAIR:** Do you need to name the project?

**Mr M. McGOWAN:** It is the Margaret River airport.

*[Supplementary Information No A5.]*

**Ms M.J. DAVIES:** I refer to page 189 of budget paper No 2 and the second and third dot points under "Significant Issues Impacting the Agency" in relation to the adoption of a new organisational structure for the department and a review of the department's operations and strategic direction. Is work being done as part of this review to decentralise staff from the department's office in Perth out to regional offices?

**Mr M. McGOWAN:** I will ask Mr Addis to comment.

**Mr R. Addis:** As part of the organisational redesign, we are first and foremost establishing what we need in the new department to deliver on our priorities. Through the various changes over the past 12 months we have kept a fairly balanced split between the regional and non-regional workforce. I think it was about 39 per cent at the start of the financial year and it remains pretty much that now. We are looking at options to strengthen our regional

footprint. We think that is an important part of the way we can deliver value, but we are not at the point of making significant changes in that regard—they will be incremental as part of implementing the new structure.

**Ms M.J. DAVIES:** Can the Premier confirm whether there has been any specific discussion around moving staff to Northam as part of that process?

**Mr M. McGOWAN:** There are probably always discussions about moving staff to places, but I am happy to let Mr Addis answer whether there has been any serious consideration or decision-making in regard to that.

**Mr R. Addis:** Members may be aware that recently the Minister for Regional Development opened the upgraded facilities at the Northam grains research facility, which is an outstanding new facility in that space. The minister made some comments about the importance of ensuring that that is well utilised. I think there are about 60 staff there now. Her comments were along the lines that over time we will have more staff in Northam. I have since clarified that with the minister, and our intention is that we will have more staff specialised in nature to take advantage of that new facility, but it will be in the range of 10 to 15 staff, because that will go pretty close to maxing out that facility's capacity.

**Mr M. McGOWAN:** That is for grains research.

**Mr R. Addis:** It does service other purposes, but that is the primary purpose.

**Mr M. McGOWAN:** It is departmental staff for that, so that is 15 new staff going to Northam.

**Mr R. Addis:** It is very clear that that will be over time and as priorities, I suppose, dictate. We do not have clear plans to send new staff out there right at the minute. We have plenty to do to get through our redesign, but, over time, as priorities dictate, we intend to make sure that we fully utilise that space.

**Mr D.T. PUNCH:** I refer to page 167 of budget paper No 3 and the government's investment in regional roads. Can the Premier outline the major projects to be delivered and the benefits to key regional centres such as Bunbury?

[10.50 am]

**Mr M. McGOWAN:** Bunbury? It is a very important city! I like Bunbury; it is a terrific place. As the member can see, more than \$2 billion is to be spent on regional roads between 2018–19 and 2021–22. That includes \$347 million for bypasses, road widening and the like on Great Northern Highway from Muchea to Wubin, stage 2. I do not think that has really received the attention it deserves. Broome–Cape Leveque Road will receive an additional \$65.7 million. We are heavily focused on ensuring that Aboriginal people have an opportunity to work on that project, which I think might extend over a few years, and obviously wet seasons and the like will interrupt construction of that road. Other projects are Great Northern Highway, Wyndham Spur and Maggie's Jump Up, \$56 million, so no doubt Wyndham will be happy with that; the Marble Bar Road–Coongan Gorge realignment, \$54 million; and Karratha–Tom Price Road, \$50 million for another 50 kilometres of that road. We are very keen to work with the mining companies to get a contribution to expand that beyond just that 50-kilometre stage.

We will fund an upgrade to South Coast Highway between Albany and Jerramungup. I drove on that road when in opposition and, consequently, we made a commitment to upgrade it. That is an important addition to the great southern. I had a conversation with senior federal figures about Bunbury Outer Ring Road, which has been allocated \$18.8 million by the state and \$76 million by the commonwealth. We have our 20 per cent contribution in there. That is nearly \$100 million for that road and, as the forward estimates roll out, there will be further contributions to that. That project will happen.

From the road trauma trust account, there is \$70 million to improvements for high-risk regional roads. As we know, too many people die in road crashes in the wheatbelt. I find it extraordinary how often it happens and it gets a couple of paragraphs on page 10 of the paper—"Two people killed in rollover" or "Person hits tree" or something of that nature. That is happening particularly in the wheatbelt, the midwest and those areas. Obviously, this program is important. There is \$20 million of upgrades to Indian Ocean Drive, which is another road on which people have been dying too often. That is important. There is funding for a range of other improvements on Great Eastern Highway, which were identified as necessary in the wheatbelt safety review. We have funded upgrades to Toodyay Road and advanced warning signs on intersections on rural roads. As members know, when we cancelled the Roe 8 project, we allocated money from that project towards regional roads. When we reallocated the funding for that 13 kilometres of road in the city, which would have cost nearly \$2 billion, to 18 other projects, from memory, three regional projects were funded, so the regions benefitted from that decision. That was an important part of that change made by the state. We are putting more effort into regional roads than ever before and our expectation is that this will assist in saving lives of regional people. I thank the member for the question.

**Mr D.T. PUNCH:** That is a great outcome.

**Dr D.J. HONEY:** The Premier may be able to enlighten me. On page 177 of volume 3, the budget refers to "AgLime Routes". It appears as though that program has been defunded or completed somehow. I understand that over 30 intersections need upgrading for the larger trucks. I wonder whether that program is being picked up somewhere else or whether we are seeing a cessation of that program of work.

**Mr M. McGOWAN:** The member is correct that there is \$10 million in the program. I have heard about the ag lime routes. I think they assist during harvest.

**Dr D.J. HONEY:** This is ag lime for modifying soil pH.

**Mr M. McGOWAN:** Yes. It is for shifting lime from the coast to counteract soil acidification. Obviously, those roads are used heavily by trucks and, therefore, an upgrade program for those roads is in place. The program has \$10 million in the forward estimates in this year's budget. Obviously, as time goes by, we will consider whether we can put additional support into that program. The member is correct that there is no money. I will let the director general comment on this matter.

**Mr R. Addis:** Niegel may expand, but the Department of Transport is leading a review of ag freight transport that covers this matter, to set an agenda for beyond this budget time.

**Dr D.J. HONEY:** As a way of explanation, the real concern is, as I think the Premier has outlined, whether funding for that program is likely to continue, because it involves very heavy road use and thought needs to be given to forward funding this program of work.

**Mr M. McGOWAN:** It is certainly something I would like to do. A review is underway on how we might fund it and what we might do, or alternative routes. The Department of Transport is the lead agency on that. Transport is leading that ongoing review so the member might want to ask the Department of Transport about that matter. Obviously, it is a great program and I would like to continue it. It is a matter of how much we can do.

**Mr D.T. REDMAN:** Is it around harvest or another time of the year?

**Mr M. McGOWAN:** I might have that slightly wrong. I might have that mixed up. Maybe the member for Warren–Blackwood can enlighten me on that one. I know it is a very good project.

**Mr I.C. BLAYNEY:** They cart quite a lot of it at harvest because they cart grain into the city and backload lime.

**Mr M. McGOWAN:** There we are; I was right! I knew it was something to do with harvest.

**Mr I.C. BLAYNEY:** I refer to page 194 of volume 1 of budget paper No 2. I refer specifically to the line item for full-time equivalent positions under "Regional Industry and Community Development Investment Facilitation". There is a reduction in full-time equivalent positions by 28. I have four questions. What specific services will be impacted as a result of this reduction? How many of the FTE positions were lost as a result of machinery-of-government changes? How many of the FTEs, if any, will be reduced as a result of volunteer separations? What are the 28 FTE positions that will be lost in the 2018–19 budget?

**Mr M. McGOWAN:** While my advisers look for something, I will comment and it might give the member some instruction. If we go back to 2016–17, which was the last budget of the former government, we see that there were 216 actual staff and in 2018–19 there are 207, so there is a reduction of nine in this area. Perhaps there was an increase in staff for a specific project. I will try to get advice while I am talking. Perhaps in the meantime something of that nature caused the number to increase or people moved around and into and out of that area. We expect 2 200 people to take up the voluntary targeted separation scheme program by 30 June this year. We expect to reach 3 000 sometime after that. Every agency has had to play its part. There could be something in what the member has had to say, but it is voluntary and it is targeted. The agency will let someone go only if it thinks it can afford to let that person go from whatever position they were in.

I refer to machinery-of-government changes. Having primary industries, agriculture and regional development all working cohesively is sensible. It means that across agriculture and regional development people are working far more collaboratively and maybe that has reduced demand for people in that area. Since 2016–17 to now, the number of FTEs has reduced by nine, so I am not sure whether any services would have been impacted. I will ask the director general to comment.

**Mr R. Addis:** Staff numbers go up and down from year to year. This is the first year that we have had a genuinely integrated budget and these are new key service areas; the member is probably aware of that. Overall, we have a clear idea of where the changes are. In total, there is a change in the estimated actuals from this year to next of 102. In large part, that total is explained by the voluntary targeted separation scheme changes that have happened in the past six months and the small reduction in the senior executive service headcount. The distribution between each of the seven services is probably a little more detailed. We would need to do some work if the member requires that information.

[11.00 am]

**Mr M. McGOWAN:** Can you explain why it climbed between 2016–17 and 2017–18?

**Mr R. Addis:** I cannot explain that off the top of my head, no.

**The CHAIR:** Member, are you satisfied with the answer? Have you got what you need?

**Mr I.C. BLAYNEY:** No. I suspect that the actual positions lost will come as supplementary information; is that right?

**Mr M. McGOWAN:** I am happy to provide that. We will get some additional advice from Mr Grazia.

**Mr N. Grazia:** To give additional context, obviously when three agencies are brought together, a lot goes on to form a streamlined organisation. A lot of work was done in the lead-up to and following the Langoulant review to align a lot of our business processes with the budget process and streamline our reporting arrangements with other agencies. That led to efficiencies in the investment management area in relation to investment facilitation. Real efficiencies are being achieved as we move forward. On top of that, the voluntary severance scheme came through at the same time. Quite a lot is going on and there are a lot of moving parts. The director general referenced earlier that we are clear about the tier 1 to 4 organisational design structure. I think we will continue to see the numbers jump around a little as we finalise the organisational design from tier 5 and below.

**Mr M. McGOWAN:** So will it continue to be fluid?

**Mr N. Grazia:** Yes.

**Mr M. McGOWAN:** Does that answer the member's question? Obviously, after the coming together of all agencies people might not be working in the silos they once did and there might be opportunities for them to do more than one role; therefore, as was the aim, generating savings. Part of the aim was to make government stronger, more rational, and also generate savings because obviously we needed to. We could not go on as we had been. As far as I can tell, there will be a reduction of nine full-time equivalents over 2016–17 to 2018–19. Mr Addis has a comment.

**Mr R. Addis:** One of the queries that came up in that conversation was why it jumped in the current year or last year. A key reason for that was that an about 22 or 23 full-time equivalent project came onto the books of the Regional Services Reform Unit. In the machinery-of-government changes, those FTEs shifted from our department to the Department of Communities. That would be the most substantial explanation for that temporary jump and decline.

**Mr M. McGOWAN:** So a unit moved from one department into the Department of Regional Development, and then out again?

**Mr R. Addis:** That is right. In the machinery-of-government works a number of those sorts of projects transferred from an old department pre-MOG to different departments post-MOG, such as Water for Food coming from Water to the Department of Primary Industries and Regional Development.

**Mr I.C. BLAYNEY:** Is it possible to provide some detail about those changes?

**Mr M. McGOWAN:** I am happy provide supplementary information on why from 2017–17 to 2018–19 the number went from 216 to 207. I think we have answered why they jumped up between 2016–17 and 2017–18, and I will provide supplementary information on why they went down by nine in that particular division over that period of time, if you like.

*[Supplementary Information No A6.]*

**Mr M. McGOWAN:** That will be supplementary information on why the staff number on page 194—“Regional Industry and Community Development Investment Facilitation”—changed from 216 to 207.

**Mr D.T. REDMAN:** I refer to the royalties for regions program referred to on page 169 of budget paper No 2. The Premier said a number of projects listed on the ensuing pages are going through an annual expenditure off the existing budget. A number of projects that sit under Western Australian Treasury Corporation accounts are not listed—for example, Busselton–Margaret River Regional Airport. Those accounts accrue interest. Can the Premier please outline government policy on the allocation of the interest earned in WATC accounts; and, by way of further information, provide the nature of all those WATC accounts and what the government has done with the interest earned on those accounts?

**Mr M. McGOWAN:** I will answer broadly, and then I might get to specifics. I will ask Mr Addis to comment.

**Mr D.T. REDMAN:** That might be a good idea.

**Mr M. McGOWAN:** Yes.

**Mr R. Addis:** In prior years there have been instances when RforR funds have been deployed to WATC accounts at the start of a project, rather than being paid to proponent entities as they meet milestones. Under the new government we are not using that mechanism as a preference. We are paying proponents as milestones are achieved, so we are not tending to accumulate WATC accounts —

**Mr D.T. REDMAN:** Can you speak up, please?

**Mr R. Addis:** Yes. We are not utilising WATC accounts to deploy funds in advance of need, as was done in the past. The minister and department have been working with proponents on how best to manage the residual balances. I understand that interest is accumulated on those accounts for the benefit of the project, and will be treated as any surplus is at the end of the projects once the delivery is complete.

**Mr M. McGOWAN:** I will comment further on that. Sometimes when interest accumulates, it is used to fund other projects or demands. A few examples include Broome port dredging, Collie Motorplex, national resource management, the Miriuwung–Gajerrong Corporation and the regional investment initiatives. If interest accrues, it can be used for other projects. Around 25 per cent of the savings were not used for those purposes, but to assist with budget repair.

**Mr D.T. REDMAN:** Can the Premier confirm that the decision to either leave the interest earned with the project or take that interest and use it on other government priority projects has been applied in a consistent way, or is each done on its merits and/or government decision?

**Mr M. McGOWAN:** It is obviously at the state's discretion, but I just read out to the member a range of things funded via it. They are, again, Broome port dredging, Collie Motorplex, national resource management programs—natural resource management programs—the Miriuwung–Gajerrong Corporation —

**Mr D.T. REDMAN:** I did not think the national resource management program was under a Treasury Corporation account.

**Mr M. McGOWAN:** The national resource management is an ongoing —

**Mr R. Addis:** Natural.

**Mr M. McGOWAN:** No, but the national resource management —

**Mr D.T. REDMAN:** Is it under a Treasury Corp account, Premier?

**Mr M. McGOWAN:** Sorry; let me go back. Natural resource management program, Miriuwung–Gajerrong —

**Mr D.T. REDMAN:** Natural resource management program? I am surprised that is a Treasury Corporation account. That is not what I am talking about.

**Mr M. McGOWAN:** No. I am saying the savings have been allocated to projects such as those.

**Mr D.T. REDMAN:** To confirm what the Premier is saying, the government has taken interest —

**Mr M. McGOWAN:** If I can finish. The Miriuwung–Gajerrong and the regional investment initiatives—they are all regional.

**Mr D.T. REDMAN:** I take it therefore that the interest earned that sits within those Treasury Corporation accounts that have an allocated project has been taken back by government for other priorities, not utilised for that particular project?

**Mr M. McGOWAN:** It all depends on the budget of the project. Let us imagine interest is earned on a sum of money and the project the money is allocated for is less than the amount with interest. Obviously, it will be used for other purposes, won't it? All the purposes are in the regions and I have just outlined a bunch of them. Any redirection goes via the minister and the Expenditure Review Committee.

[11.10 am]

**Mr D.T. REDMAN:** Can the Premier provide me, by way of further information, those Treasury Corporation accounts that are currently in play and tell me what is happening to the interest earned on those projects? Is it retained by the proponent or is it being redirected to other projects by government?

**Mr M. McGOWAN:** I just answered that question.

**Mr D.T. REDMAN:** No, the Premier has not, because there are a range of WA Treasury Corporation accounts that have projects that earn interest.

**Mr M. McGOWAN:** Yes, and as I said to the member, the general policy is that we fund the project. If the project comes under—in the current construction environment, some come under—and if savings are generated, obviously, we do not just throw away the money; we redirect it to some other priority.

**Mr D.T. REDMAN:** Some projects have had money taken back by the minister, which means that they have come under the scope of the project where the interest earned is significant to them achieving the outcome of the project.

**The CHAIR:** Is it a question, please, and through the Chair?

**Mr M. McGOWAN:** I am interested in which projects the member is referring to. Is he referring to the airport in Busselton?

**Mr D.T. REDMAN:** That is one project. The Busselton foreshore and the town centre upgrades for Manjimup are two examples.

**Mr M. McGOWAN:** The town centre upgrades in Manjimup, from memory, were \$30 million. I cannot tell the member what the Busselton foreshore cost was. I think we examined before in detail the Busselton airport. Obviously, if we can come up with great projects and do it more affordably, that is good budgeting. The member for Warren–Blackwood and I have a different view. I think that if we can save money and do a great project and maybe not spend as much in our current environment, that is what we should do.

**Mr D.T. REDMAN:** I am asking whether the Premier would provide me with a list of royalties for regions funds held in WATC accounts and the decision about what is happening to the interest earned on those accounts.

**Mr M. McGOWAN:** I will get Mr Addis to comment.

**Mr R. Addis:** We have previously established a number of WATC accounts for a range of specific projects. They have both surplus project funds and accumulated interest. Both are treated the same when they are found to be no longer required or by agreement between the minister and the proponents. They are spent either in accordance with the project scope to deliver it or, by agreement, on varied or redirected purposes within the project and proponent or, by agreement, they are returned and used for other purposes. I think the strict answer is that they are treated on a case-by-case basis, depending on the circumstance of the proponent, the project and the minister's agreement.

**Mr D.T. REDMAN:** And/or the minister's view.

**Ms M.J. DAVIES:** I refer to the table titled "Royalties for Regions Expenditure", and the line item "Administered Items" on page 179 of budget paper No 3. Can the Premier confirm that that is the unallocated money left in the royalties for regions fund across the forward estimates?

**Mr M. McGOWAN:** Is the member referring to "Administered Items" under "Administration and Administered Items" where it has \$6.9 million, \$28.8 million, \$37 million, \$94 million and \$74 million, totalling \$235 million?

**Ms M.J. DAVIES:** Yes.

**Mr M. McGOWAN:** I might get Mr Addis to comment on the question.

**Ms M.J. DAVIES:** It is just the administered items. It has footnote (c) next to "Administered Items". It starts with \$6.9 million across the forward estimates.

**Mr M. McGOWAN:** I think the member is asking whether it is money remaining in the royalties for regions that is not allocated.

**Ms M.J. DAVIES:** Unallocated funding across royalties for regions, yes.

**Mr R. Addis:** Projects using RforR funding are submitted as part of the RforR budget in two ways, firstly, by being put to the Expenditure Review Committee and/or cabinet in a way that elicits the final approval for the project to be implemented or, secondly, through the administered items line in the budget, which is, essentially, for projects that are expected to occur but the detailed work and final decision-making by the minister, the Treasurer or the ERC and cabinet have not yet been completed. They are therefore required to go back to that final decision-making process before they can become an authorised project. Consistent with practice over a number of years, a number of expected projects are in there. They require detailed work to get to that decision-making point, so, at the time of the budget, they are not considered to be appropriate to list line by line in the budget.

**Mr M. McGOWAN:** They are not worked up. There are a range of projects that are obviously under consideration. As the member can see, most of the royalties for regions budget over the forward estimates is allocated. But a bunch of projects are not worked up, so money is set aside over time to fund them. I think that is standard. I think it is what always happens.

**Ms M.J. DAVIES:** Along the note (c) line, it states that it is mainly for election commitments. Is there a list of unfunded election commitments that could be provided that have been worked up as part of that project?

**Mr M. McGOWAN:** I do not think it is standard practice to release projects we are currently working on. Obviously, some projects might get through.

**Ms M.J. DAVIES:** If they are election commitments, they would be public.

**Mr M. McGOWAN:** The member can look at our election commitments; they are many and varied.

**Ms M.J. DAVIES:** We would like to know which ones are intended for royalties for regions.

**Mr M. McGOWAN:** We released a comprehensive policy before the election, and they are out there for people to look at. Obviously, over time we will work up projects and fund them as the forward estimates roll out. Bear in mind, next year will be another year of the forward estimates, so administered items will always be there. If we do not have administered items, essentially, the whole budget is allocated and we do not have any flexibility whatsoever.

**Mr D.T. REDMAN:** I refer to page 179 of the *Economic and Fiscal Outlook*. At the bottom of the table it refers to "Underspend Provision". In previous budgets, underspend provisions have been made to ensure that the commitment of \$1 billion to the people of regional Western Australia was made. I note that in the 2018–19 budget, this budget, \$119.1 million is provided from the underspend provision, but nothing in the forward estimates. Can I take it that the government is not expecting an underspend in the forward estimates? If it is, how much will it be and what is current policy for underspend provisions in the royalties for regions budget?

**Mr M. McGOWAN:** I think there have been underspends in royalties for regions historically. Certainly over the last eight or nine years there were significant underspends each and every year. That would be correct—the member for Warren–Blackwood was the minister for a while. The underspend provision allows a percentage increase in the total budget in recognition that individual programs will not fully spend their allocations each year. I think that is the answer to the question. Obviously, in the current construction environment, projects sometimes come in under budget. Secondly, sometimes trying to get a project happening might take longer than we might think, hence there is an underspend. I will give one example—the Carnarvon college, which the member for North West Central keeps going on about. He keeps claiming some rip-off of \$12 million. Essentially, the project came in \$12 million under budget, so we were able to build the school \$12 million under budget in the current construction environment. He seems to think that is bad. I think that is good. It means that we have built a school and the taxpayers will get a benefit out of it and we can use that saving for other capital works. We would use it, if it was for capital works, in regional Western Australia. There is a good opportunity.

**Mr D.T. REDMAN:** On a number of occasions, the Premier has made the commitment that government has \$4 billion of royalties for regions in the forward estimates. Part of the reason for having underspend provisions there was to meet the target of the commitment that he has made on a number of occasions. I note that he does not have underspend provisions in the forward estimates; does that mean he is expecting an underspend and wants to make that saving across the broader budget rather than meet his commitment?

[11.20 am]

**Mr M. McGOWAN:** I will let Mr Addis comment on that question.

**Mr R. Addis:** Historically, the royalties for regions program has not been fully allocated. We have been approaching full allocation over the last three years. By the start of this government, the project was, for all intents and purposes, fully allocated. That has meant that proponents know that they have a project that needs to be delivered on time, on budget and in accordance with what is scheduled. The prevalence of underspent projects has been declining over time. We have been spending a greater proportion of the overall program, and that has become more so as the program has become full. In previous years, an underspend provision was provided in the out years budget in the order of, from memory, about 12.5 per cent. That was essentially fine in a program that was not fully allocated, but in a fully allocated program it has had the effect of starting to build up an unprogrammed balloon within the overall program. Therefore, in this and the last budget we have taken the more prudent measure of providing for an underspend at the beginning of the overall program that will carry through. In the \$4.051 million program over the four years, there is a total underspend provision of \$119 million. We think that will be adequate to manage the underspends that will occur given the current state of the program. It will show in next year's budget in the first year if we continue with that same approach. We think that is an appropriate and prudent way to manage what is now a full and increasingly mature program.

**Mr D.T. REDMAN:** Significant substitutions are in the budget from the Water Corporation regional subsidy, which is over \$300 million if we include the numbers in the out years; the TAFE subsidy; the patient assisted travel scheme; and now the orange bus subsidy. Is it fair to say that the inclusion of very regular, very known items such as these is soaking up better than half of the royalties for regions budget and that is one of the reasons that there is no need to have an underspend provision?

**Mr M. McGOWAN:** No. I think the underspend was properly explained by the director general—that is, in each and every year, we cannot get all the money out the door—but the underspend is apparently getting smaller than it was. That is why the underspend is there, and, as the program matures, obviously the government gets better at administering it, running contracts and the like. Obviously, a range of spends are inside the program—as I said before, 10 pages of them. It is a very significant spend. I suspect that we are funding a whole range of things in the member for Warren–Blackwood's electorate. I may even ask for a list. I was in the member's electorate the other day and saw the new ring-road surrounding the town of Margaret River.

**Mr D.T. REDMAN:** The one the minister tried to stop.

**Mr M. McGOWAN:** The member can say that, but I can see it being built. I will read out some projects to the member. The budget includes \$1 million to complete works at Rapids Landing Primary School; \$1.5 million for an early learning centre at Glen Huon Primary School; and \$30 million to redevelop Margaret River Senior High School —

**Mr D.T. REDMAN:** Point of order, Madam Chair.

**The CHAIR:** Member for Warren–Blackwood.

**Mr D.T. REDMAN:** The Premier is not answering this question. He is referring to royalties for regions spends in my electorate and others as distinct from the question I asked.

**Mr M. McGOWAN:** The member for Warren–Blackwood can call for points of order, but normally estimates is for three hours and fairly free-flowing and people are allowed to say things. I think I have had one government

question so far. I think I have been fairly generous. However, I want to set it up for the member because I do not think that he fully appreciates it. The budget includes money for the Margaret River Perimeter Road; \$19 million for the southern forests irrigation scheme; \$1.3 million for the Manjimup Premium Food Centre; \$20.4 million for the Margaret River wastewater treatment plant upgrade, and \$8 million towards replacing volunteer fire stations, including in Margaret River. It is all pretty good stuff. In total, it is \$60 million or so.

**Mr I.C. BLAYNEY:** I refer to page 201 of budget paper No 2 and the line item “Regional Telecommunications Project”. Is it the state’s intention not to continue to fund the regional telecommunications project at all going forward?

**Mr M. McGOWAN:** The regional telecommunications project has \$21.2 million in this year’s budget. The RTP is a significant investment in regional telecommunications to maximise the safety, social and economic benefits for the public from appropriate mobile telecommunications services in the regions of Western Australia. The project will improve telecommunication coverage in Western Australia through the establishment of mobile telephone towers within small communities and at strategic locations across regional WA. The commonwealth allocated \$100 million for the Mobile Black Spot Program. Leveraged investment from the regional telecommunications project will see the delivery of 130 new towers in WA on top of the 23 dedicated sites being funded by the RTP alone. The total royalties for regions funding is \$105 million. I understand the project was for a defined period and that the funding will expire. There has already been spending of \$105 million from the state and \$100 million from the commonwealth, so it is a \$205 million program.

**Mr I.C. BLAYNEY:** Regional people will say that there are still plenty of mobile phone black spots and areas of poor service. If the federal government were to bring in a new program, would the government consider matching it so that we get our fair share of those new towers?

**Mr M. McGOWAN:** We would consider it, but it would be a matter of freeing up the money to be able to do it against competing priorities. As I said, \$205 million has been spent, including \$100 million or so from the state. Personally, I am pleased that we spent \$105 million on the program, but, broadly speaking, I think that telecommunications is a federal responsibility. It strikes me as somewhat unusual that the state has to put money into telecommunications when it is a commonwealth responsibility. It is a bit like the state putting money into defence, foreign affairs or something of that nature. It is generally a commonwealth responsibility. I would urge the commonwealth to pick up its responsibility to a greater degree and not lean on the states to fund something that is its responsibility.

**Mrs L.M. O’MALLEY:** I refer to page 189 of budget paper No 2 and the line item “Regional Economic Development Grants”. Can the Premier please outline what the regional economic development grants are for and how funding can be applied for?

**Mr M. McGOWAN:** The government has committed \$22.5 million towards the regional economic development grants program, which will be delivered across the state’s nine regional areas. This investment recognises that driving economic growth and jobs in WA requires a broad array of projects, from multimillion-dollar strategic infrastructure to small community-led initiatives. This program will support projects that make a real contribution to local communities, with a focus on creating jobs and shaping the economic future of regional towns. Each regional development commission will oversee and recommend funding for projects with over \$550 000 per year allocated to each region. Grant applications will be assessed on a competitive basis, with the first round envisaged to be open from the middle of 2018. We expect to receive applications for a wide range of community-led projects. This will boost investment in locally delivered projects that contribute to population and economic-growth initiatives that will, most importantly, be delivered by and for the community. When I was Minister for Peel and South West back in the 2000s, I found that an equivalent program was very well appreciated by individual regions. We often found that individual projects were very worthwhile, and sometimes—this is a truism I have found throughout my political career—we get more outcomes from a small amount of money than we do from a large amount of money. If it is appropriately worked up and regionally driven with the appropriate due diligence around it, we can get a far greater impact than we do for some of the enormous spends that sometimes occur without as much thought around them. I was very impressed by this program back when I was the minister, and I am pleased that we are able to recreate it with each region getting its fair share.

[11.30 am]

**Dr D.J. HONEY:** Premier, I refer to the Earbus program under “Health Services” on page 171 of budget paper No 3, and, to save drawing it out, I refer also to the renal dialysis program; the remote Indigenous health clinics; Fitzroy kids health; the ear, eye and oral health program; the rehabilitation program; and the palliative care program on page 172. I know the Premier is very aware of severe health issues, particularly in the more remote Indigenous communities. It seems that all those programs will be defunded after 2019–20. Is there a program to replace them or is the government considering some other program? I would have thought that continuing funding for those is quite important.

**Mr M. McGOWAN:** I will comment before I ask Mr Addis to say something. As I recall, the Earbus program and the renal dialysis program are very much focused on Aboriginal people in Indigenous communities, particularly in the northern parts of the state and the goldfields. As I recall, the Earbus program was defunded some years ago with there being some funding issues surrounding it, at least. There has been some effort to provide additional renal dialysis services, particularly in the Kimberley, and this is no doubt part of that. Clearly, there has been an effort here but, as to the future, we can always examine them in future years. It appears that these two programs are funded for at least two years, but I will ask Mr Addis to comment to provide the specifics.

**Mr R. Addis:** Thanks, Premier and thanks, member, for the question. Obviously as the program matures, we work constantly with line agencies, in this case the Department of Health and the WA Country Health Service, to, I suppose, match up what RforR funds in terms of priorities and what they fund as part of ongoing programs, which are constantly evolving. As these sorts of initiatives drop off the RforR program, we work with them to work out other high-value initiatives and how they are best accommodated beyond the drop-off point. Nigel, did you want to make a comment?

**Mr N. Grazia:** Just to reinforce the point that we need to be cautious about reading that a drop-off in the RforR fund means that a program may not be continuing. It has a relationship, of course, with the Department of Health budget and its approaches to the Expenditure Review Committee independently of RforR. That would be a follow-up question for that portfolio.

**Dr D.J. HONEY:** For Health?

**Mr N. Grazia:** Yes.

**Dr D.J. HONEY:** That was really where I was trying to get to. I appreciate the Premier's answer in terms of specific one-off initiatives but a number of these, including the Regional Men's Health Initiative, would appear to be important ongoing programs. I will get my colleague to ask a follow-up question in the health division, because if it is not being picked up specifically in the health budget, that would be a significant concern for a lot of people.

**Mr D.T. PUNCH:** I refer to the sixth dot point on page 190 of volume 2, detailing that —

The Department will work towards maximising local content by ensuring local businesses in regions are informed, connected and supported.

I have seen some fantastic work by the South West Development Commission in briefing local industry in my electorate about the value of government contracts and the work that might flow. I ask the Premier to detail how the department will continue to provide that fantastic work into the future.

**Mr D.T. REDMAN:** It has improved a lot in the last couple of years.

**Mr D.T. PUNCH:** It certainly has; there is more of a focus on local content with no South Australian contracts going out.

**Mr M. McGOWAN:** I thank the member for Bunbury for the question. I am sure he appreciates sitting on that side of the house rather than this side of the house on this day.

**Mr D.T. PUNCH:** I certainly do!

**Mr M. McGOWAN:** On any other day he would probably appreciate sitting on this side of the house rather than that side of the house.

The member will be aware that we announced the Western Australian Jobs Bill. I can talk about that if the member would like, but we have also ensured that local content advisers are appointed across each of the development commissions. Those local content advisers will very much focus on ensuring that local businesses get fairer opportunities for local contracts. We cannot always guarantee a local contractor win. Obviously, value for money is one consideration, but it is not the only consideration. We will ensure as much as we possibly can that we provide that support to local businesses via the local content advisers network through the development commissions. I think the development commissions' websites will have significant information for local businesses that are bidding for projects. There is a whole range of new projects across regional Western Australia, particularly in construction. I outlined before to the house a range of road projects but there is school investment in Albany and Busselton and for a range of improvements to school bushfire protection. There is a range of programs in education and construction at Carnarvon Community College, Margaret River Senior High School, John Willcock College and Collie Senior High School. I think there is also a major project at Broome Senior High School. In terms of other capital works, there is really quite a lot. Local content advisers will be working with local businesses to ensure maximum local content. Member for Bunbury, I might ask your successor, Rebecca Ball, from the South West Development Commission to make some comments.

**Mrs R. Ball:** Thank you, and thank you, member for Bunbury, for the question. We have been very pleased to work with the department on the development and roll-out of the local content program. Through the department, we have just appointed a senior person to work with local content managers in the corresponding commission

areas in the Peel and the great southern. The team works across the three regions to ensure that there is information sharing and the promotion of opportunities. We are also coordinating our timing of promotion of opportunities to ensure suppliers can access them. We have held five different project opportunity public awareness sessions on local content for suppliers, including sessions for the Margaret River perimeter road and the Dolphin Discovery Centre in Bunbury, and we have one tomorrow for the proposed Albemarle lithium processing plant, which has been a sell-out with more than 180 people registering. We might have to hold a second one. That is now being taken up with great interest. We will work very closely with colleagues across all tiers of government in partnership with our colleagues in Regional Development Australia as well as across state government with Department of Jobs, Tourism, Science and Innovation and LandCorp.

**Mr D.T. PUNCH:** There is great local feedback on those projects.

**Mr M. McGOWAN:** Albemarle is very important. It does not involve state funding but it is at Kemerton and we are working very hard to get the environmental approvals in place. Obviously we do not control commonwealth environmental approvals, but we are hopeful to have that resolved by June. I met with Albemarle's chief executive officer when I was in Washington for the event with the Prime Minister and all the Premiers. They are very keen to get the project up but it requires approvals outside our control. The Minister for Environment has been working very hard with the commonwealth government, and I urge the commonwealth government to treat it with some urgency. It is important for the south west, it is important for jobs and it is important to make sure that we grasp the opportunity of lithium. We are doing all we can to get the project to fruition and I am pleased to hear the South West Development Commission is doing its bit as well.

[11.40 am]

**Mr D.T. REDMAN:** I refer the Premier to "Royalties for Regions Regional Reform Fund" at the bottom of page 229 of the *Economic and Fiscal Outlook*. It highlights that the funds are going towards three projects: the Kimberley schools project, the north west Aboriginal housing initiative and improvements to essential municipal services in remote Aboriginal communities. Reference is made to the decision in the 2015–16 budget to fund that up to \$150 million. Can the Premier confirm that it is the government's intention to retain this fund and make it up to \$150 million as decided upon in the 2015–16 budget?

**Mr M. McGOWAN:** The special purpose account was approved as part of the 2015–16 budget to receive \$150 million transferred from the royalties for regions fund. The account will fund strategic reform initiatives in regional Western Australia designed to support government objectives over time; it will focus on regional Aboriginal reform initiatives. In 2016–17, \$100 million was allocated to the fund, and in addition, the Expenditure Review Committee approved the deferral of \$50 million budgeted to be received in 2017–18. The amount now being received in 2019–20 is \$16 million, with a remaining \$34 million being deferred until further expenditure is approved and the funds acquired. Obviously, we need to work out what we want to spend the money on, which I think is the issue, so in 2018–19, \$54 million was budgeted to be spent on the Kimberley schools project, essential and municipal services improvement, and the north west Aboriginal housing initiative.

**Mr D.T. REDMAN:** Can the Premier confirm the intention to put up to \$150 million in the fund, as was decided in the 2015–16 budget?

**Mr M. McGOWAN:** I will ask Mr Grazia to comment.

**Mr N. Grazia:** Without wanting to commit the ERC, the point has been made that time is required to make sure that the money is appropriately spent and prioritised around the right initiatives and has the effect of cash-flowing forward the spending beyond the forward estimates. That is why the member is seeing those numbers.

**Mr D.T. REDMAN:** Is the intention of the government to have a total fund contributing to that account of \$150 million?

**Mr M. McGOWAN:** I think the answer is this: we need to know what we want to spend it on before such time as we put additional money in.

**Mr D.T. REDMAN:** There are three items listed.

**Mr M. McGOWAN:** And they are being funded—the Kimberley schools project, the essential municipal services and the north west Aboriginal housing initiative. As the member knows, a lot of money has been spent in this field without necessarily great outcomes being achieved. We have to make sure that we have the right projects that achieve good outcomes; that is what the issue is. We also face a looming crisis, because the commonwealth is withdrawing \$100 million a year in funding for maintenance and construction. Obviously, this is an area we will look at. We are determined to put much pressure on the commonwealth to continue its commitment to Aboriginal housing in remote communities as it has done for the Northern Territory, but not for WA and Queensland. Therein is a significant issue. I do not want to automatically pick up the slack that the commonwealth has let go, because it is a serious issue for Western Australia that the commonwealth just lets go of things and the state then has to pick them up.

**Mr D.T. REDMAN:** On the same point, I draw the Premier's attention to the page 179 of the *Economic and Fiscal Outlook*.

**Mr M. McGOWAN:** Is it the same subject matter?

**Mr D.T. REDMAN:** It is the same topic. At the bottom of the table it outlines the regional reform special purpose fund and \$16 million going into it in 2019–20. Footnote (d) states —

Total Royalties for Regions contributions are forecast to be \$150 million.

The budget papers are referring to a contribution of \$150 million. There is no provision made for it in the forward estimates. I assume it is in either the out years or the government intends to get rid of that account.

**Mr M. McGOWAN:** I can assure the member that the government is committed to supporting Aboriginal people and ensuring that we support people in remote communities more than ever before. The member will note, I think it was last year, that we had to pick up the support for electricity, water and power in remote communities that otherwise the commonwealth had funded. It just vacated the field. Unless we picked it up, power, water and other services would disappear in remote communities. It was a pretty rotten act on the part of the commonwealth to do that to the state and obviously it is trying the same trick when it comes to maintenance and provision of new housing. In funding for individual projects, or for the other amount of money, I will ask Mr Addis to comment on that.

**Mr R. Addis:** The question involves the three funded projects out of that fund. They remain committed and funded as per the royalties for regions program budget. Of the existing government commitment to contribute in total \$150 million to the special purpose account, this budget provides, I think, that \$116 million in total will be contributed by the end of this budget's out years, leaving a balance of \$34 million. My view would be that that is a matter for the ERC to consider at future budgets.

**Mr M. McGOWAN:** It is requiring the ERC to work out what to spend that \$34 million on.

**Mr R. Addis:** I would add though that it is clear from the budget papers that that remains in the longer-term forecast.

**Mr D.T. REDMAN:** I take it that the Premier is confirming that these budget papers reflect a contribution of only \$116 million towards that fund, and there is no provision as yet identified in the budget papers for it to be up to \$150 million?

**Mr M. McGOWAN:** The budget papers reflect a commitment to the fund of \$116 million. Obviously, we need to work out what other things we need to fund, whether it is \$34 million or more in the future. There are two parts to this. We will undertake a lot of spend in remote Aboriginal communities because that is the nature of things. There will be a lot of spend in communities.

**Mr D.T. REDMAN:** But clearly not the same spend as the previous government.

**Mr M. McGOWAN:** I do not want to give the commonwealth any further excuse to pull out of what it is doing. We do not have a closure plan. The member might recall the former Premier had a —

**Mr D.T. REDMAN:** Come on, Premier. Be fair on that one.

**Mr M. McGOWAN:** I recall what he said in here.

**Mr D.T. REDMAN:** What, a closure plan? Did the Premier read the plan?

**Mr M. McGOWAN:** The member might recall the sort of language he used, which I thought was very inflammatory. The member might recall he went out the front of Parliament House and asked remote Aboriginal people to walk a day in his shoes and see how hard it was for him.

**Mr D.T. REDMAN:** Has the Premier read the comments by his own Minister for Housing?

**Mr M. McGOWAN:** The member might remember that particular commentary.

**The CHAIR:** Members, thank you.

**Mr D.T. REDMAN:** The Premier's own Minister for Housing has talked about closing communities.

**Mr M. McGOWAN:** I think you must have all winced when you heard those sorts of comments from him.

Our commitment to remote Aboriginal communities remains strong. The ERC will make decisions about how we will roll out the remainder of that funding, but we will not just throw money away on whims, because, as the member knows, a lot of money has been spent on this area with not necessarily many outcomes. We have to make sure that we get the right outcomes as time goes on and spend the money correctly.

**The CHAIR:** We will have a five-minute comfort break.

*Meeting suspended from 11.49 to 11.58 am*

**The CHAIR:** I give the call to the member for Cottesloe.

**Dr D.J. HONEY:** I refer to table 1 on page 177 of budget paper No 3. About one-third of the way down the page there is reference to funding for “South West Emergency Rescue Helicopter Service”. The funding for that ceases in 2019–20. I wondered whether that program was being defunded or is it simply a placeholder, if you like, and that service will continue; or will it be provided in another way?

**Mr M. McGOWAN:** As we know, it is a very important service. The member for Bunbury and I announced its continuation because its funding was actually ceasing as of 30 June this year. We announced the continuation of funding for that at the Bunbury regional cabinet, which was earlier this year.

**Mr D.T. PUNCH:** It was last year.

**Mr M. McGOWAN:** It was last year. We announced its continuation. There was a campaign around it and all the rest of it. Obviously, we were always going to continue it, but we are now ensuring its continuation. Its funding is from the road trauma trust account because, obviously, its primary function is dealing with road trauma.

**Ms M.J. DAVIES:** I want to go back to the line item “Administered Items” on page 179 of budget paper No 3. Can the Premier clarify his earlier comments that he would not be providing the election commitments that are as yet unfunded. During the last estimates hearings we were provided with a list of election commitments under administered items, and also a list of projects captured under the administered items with a notional allocation for ongoing funding over the forward estimates; so it is something the government has provided us with previously. I am wondering whether we could potentially have an updated list.

**Mr M. McGOWAN:** If the member has the list from last time, I am sure it is there for her to analyse against this year’s budget. Our election commitments are our election commitments. They are out there—the member can go and research them. They were the actions of the opposition. They are there for the member to look at. If she has a list from last time, I am sure it is there for her to use.

**Ms M.J. DAVIES:** I am not quite sure I follow, Premier, “the actions of the opposition”. I am saying that the government provided during the last budget estimates a list of projects captured under the administered items as election commitments, with a total allocation, so we had a dollar figure attached to it, and we also had a list of projects captured under administered items with a notional allocation for ongoing funding with a dollar figure attached to it. I am asking the Premier to clarify why that could not be provided to us as part of this budget.

**Mr M. McGOWAN:** I do not think it is necessarily good practice to provide a dollar figure to something that has not had its true cost worked out. Obviously, when election commitments are made, costings are put next to them. The best an opposition can do is put a global figure or a costing next to it. In effect, it is an estimation of an opposition. At this point in time the government is going through the process of working out what the exact costs of its election commitments are. As we do that process properly, we will then integrate them into the budget. The Langoulant report essentially recommended that that is the process that should occur for these sorts of things. That is the process we are going through. I am not aware of what list the member got last year. My advice is that she did not get it via supplementary information, so I do not know what list she has.

[12 noon]

**Ms M.J. DAVIES:** I can provide it to the Premier.

**Mr M. McGOWAN:** That would be terrific.

**Ms M.J. DAVIES:** I can hand it across the chamber. It is a response to a question to the Minister for Regional Development in last year’s estimates. The Premier’s government provided us with that answer. All we are asking is for the same information to be provided as part of this budget.

**Mr M. McGOWAN:** Obviously, that was the Minister for Regional Development in whatever process the upper house has. Let us imagine that I gave the member a big list of projects with dollar amounts listed alongside. Once we went through the process of costing those projects and tendering for them and the costs came out above or below, the member would say that the costings had blown out. In a year or two hence she would compare them with the list I gave her now and would say that they had gone up by \$X million, so there had been huge blowouts. I would rather do the work properly and work out the costs properly before we put them in the budget and give the member a list of the projects.

**Ms A. SANDERSON:** I refer to the reference to the new industries fund on page 189 of budget paper No 2. Can the Premier give the chamber an update on the regional component of the new industries fund?

**Mr M. McGOWAN:** The regional new industries fund is dedicated within the broader new industries fund and is designed to build regional competitiveness by growing entrepreneurial innovation and commercialisation capacities. The idea is to support and accelerate some of those exciting, perhaps technologically based industries and opportunities in regional Western Australia to allow our regional communities to diversify their economies. A whole range of them are out there, as we know. I have been to start-ups in both the city and the regions. There

are all sorts of people with innovative, exciting ideas in a plethora of areas. The fund comprises two allocations— a regional stream and a state network stream. The regional stream allocates up to \$300 000 to each of the nine regions for region-specific projects. Every region gets a share. A minimum of \$1.4 million will be allocated to the state network stream to increase connectivity and build capacity across regions to state and international markets. To access the fund, each region will establish an inclusive regional innovation partnership coordinated by the regional development commission. The partnership will comprise business, academia and government and will develop a short, innovative road map to highlight regional focus areas, to develop and align projects and to coordinate efforts both regionally and across the state. I have been to a couple of these acceleration centres. The one most talked about is the one in Geraldton.

**Mr I.C. BLAYNEY:** Pollinators.

**Mr M. McGOWAN:** Pollinators! I was going to say “Beehive”. It is an interesting place. It is like walking into something that one would imagine in the heart of Melbourne.

**Dr D.J. HONEY:** They are all hipsters in Geraldton.

**Mr M. McGOWAN:** Geraldton is that sort of place. It is a relatively small amount of money, but the idea is that we try to grow those businesses and give them opportunities so that regional communities can diversify their economies and are not so reliant on what they have always done, whether it is agriculture, mining or tourism. Therefore, it is an innovative and exciting thing and it will hopefully generate good outcomes for regional communities. Ordinarily, these new industries funds are very focused on the inner city or hipster areas of a major city. We wanted to make sure that we provided at least a third of the funds specifically to the regions to allow them to diversify as well. I think there might be something similar in Bunbury, which I have had some experience with. Those organisations will be able to access these opportunities and hopefully grow new industries as part of that.

**Ms A. SANDERSON:** Is the department able to outline what work is being done with industry and the sector to enlighten them about the fund?

**Mr M. McGOWAN:** I might get the director general to comment on that.

**Mr N. Grazia:** We do not have specifics at the moment because the fund has only just been rolled out. We are seeking input from the likes of Pollinators and other innovators on what their proposals might be. I do not know whether there is a different position within the south west, but at the moment this is an initiative that is led in the first part by the Department of Jobs, Tourism, Science and Innovation. We are managing the regional component.

**Mr I.C. BLAYNEY:** I refer to the line item on regional infrastructure projects down towards the bottom of page 201 of budget paper No 2. Can the Premier please provide a breakdown of the infrastructure project funding that this money is intended for?

**Mr M. McGOWAN:** Good question. Regional infrastructure projects have \$1.95 million allocated to them in this year’s budget. The projects are primarily made up of stage 3 of Living Lakes, with \$1.4 million allocated, and the Margaret River hub of entertainment, arts and regional tourism project, with \$0.6 million. They are the two projects that I am aware of. Once again, we are spending more money in the member for Warren–Blackwood’s electorate; it is another project for the people of the south west who I missed in my earlier commentary. I am unaware of what Living Lakes is. I might ask for some advice on that.

[12.10 pm]

**Mr R. Addis:** As a long-term project this is the completion of that. It relates to a series of what used to be freshwater lakes in the great southern primarily, so this is seeing those out. Stage 2 is some engineering and design work and concept planning for Lake Ewlyamartup, Lake Yealering and Lake Towerrinning.

**Mr I.C. BLAYNEY:** There are some funds into the out years in 2019–20 and 2020–21. Does the Premier have any idea where that is intended to go?

**Mr M. McGOWAN:** It is \$5 million in 2019–20 and \$5 million 2020–21. In terms of projects that it is allocated to, I am sure we will make decisions in the future as to what those projects might be. Living Lakes and the Margaret River hub of entertainment, arts and regional tourism project is an eclectic mix. I do not get why those two are part of it and not any others, but those two are probably in the electorates of the member for Warren–Blackwood and the member for Central Wheatbelt. I am pleased to see that they have important things in their electorates. I do not think we have allocated anything at this time.

**Mr I.C. BLAYNEY:** I could suggest a boat ramp at Drummond Cove, but it is a bit too far north!

**Mr M. McGOWAN:** In Geraldton? Why does the member not drop me a letter as to his suggestions.

**Mrs L.M. O’MALLEY:** I refer to page 165 of budget paper No 3 in relation to the government’s investment in our children’s education. Will the Premier outline the major regional projects included in the budget to benefit our kids in the regions?

**Mr M. McGOWAN:** There are a number of them in education, and it is not just capital works. As I indicated before, there is North Albany Senior High School and Albany Secondary Education Support Centre, in particular, for students with disabilities. Cape Naturaliste College has an allocation of nearly \$30 million and Carnarvon Community College over \$25 million. I note the member for North West Central is very angry about that \$25 million spend in his electorate. An amount of \$4.9 million is allocated for the remediation and replacement of plaster glass ceilings in regional schools and the installation of ember screens over air conditioners. Margaret River Senior High School is allocated \$23 million, another project in the member for Warren–Blackwood’s electorate. An amount of \$8.2 million is allocated to John Willcock Community College, a project in the member for Geraldton’s electorate. Collie Senior High School is allocated \$6.4 million for improvements and \$17.7 million is allocated for the Kimberley schools project to improve education outcomes through targeting teaching, early years learning, attendance, engagement and connecting communities, schools and other learning environments. An amount of \$13.3 million is allocated for Aboriginal and Islander education officers, honouring an election commitment. They will be largely in regional Western Australia. There is an allocation of \$6.3 million for Clontarf colleges in Carnarvon, Mandurah, Derby, Fitzroy Crossing, Karratha, Katanning and Northam, and \$3.6 million for the Pilbara partnership for student success, by addressing attendance, engagement and education outcomes for most at-risk students. An amount of \$31 million has been allocated to put education assistants back in the classroom in regional Western Australia; \$7.7 million for improving teacher quality and providing additional level 3 teachers with time to support their peers; and \$3.2 million for mental health support and additional staff time for level 3 teachers to oversee the delivery of mental health and resiliency programs in schools in regional Western Australia.

**Dr D.J. HONEY:** I refer the Premier to table 5 on page 143 of budget paper No 3. I am intrigued why the Forest Products Commission is setting aside money for land purchases for softwood plantation. I thought that was something that would be taken up by the private sector and not the government.

**Mr M. McGOWAN:** I realise this is the first estimates committee for the member for Cottesloe, but I think he might have gone beyond the parameters of what is permitted. That is not inside the Regional Development portfolio as far as I am aware. When he has been here for 21 years, he will learn what is going on.

**Mr D.T. PUNCH:** I refer to the Aboriginal ranger program on page 178 of budget paper No 3, which indicates \$16 million across the forward estimates. This seems an outstanding program to involve Aboriginal people in land-based employment programs. I would be grateful for some information about the detail of that program.

**Mr M. McGOWAN:** The ranger program was an election commitment; we scoped it and we are implementing it. It is a commitment to Indigenous rangers across regional Western Australia. It was one of those projects that some environmental groups and Aboriginal groups came forward with prior to the 2017 election, and we endorsed it. It is \$20 million over the five years 2017–18 to 2021–22 to establish the program. The program will focus on jobs for rangers looking after state parks, Indigenous protected areas and other Indigenous tenures. They can work on biodiversity, monitoring, research, rehabilitation, fire management and the construction of camp grounds and recreational facilities. As anyone who visits a national park knows, they will always find the rangers to be very helpful and informative. They often help when one is in trouble or has a problem. I have found some of the national park rangers to be some of the finest public servants I have met. They are committed and decent men and women. The Aboriginal ranger program expands a range of other programs. In the Kimberley and Pilbara some programs are funded from other sources; some might even be commonwealth-funded or the consequence of native title settlements. This program is state funded and is designed to roll out a number of opportunities. I am just trying to remember how many job opportunities are in this. We do not have that detail here, but it is quite a lot. We can generate a lot of rangers out of this amount of money. Obviously it is a recurrent, so it is one of those programs that we need to continue to fund on an ongoing basis. Connection to country and people having pride in the area in which their families have lived for thousands of years is a very important factor in people having ongoing employment and worthwhile activities in their lives.

This program is important at a range of levels. There is a push by some environmental groups to expand some of the national parks in that area so that we have more opportunities for rangers and the like, and the government will examine that.

[12.20 pm]

**Ms M.J. DAVIES:** I refer to “Regional School Bus Services” in the table titled “Royalties for Regions Expenditure” on page 174 of budget paper No 3. I want to clarify whether that refers to running the orange school buses; is that correct?

**Mr M. McGOWAN:** Yes, that is referring to the orange school buses.

**Ms M.J. DAVIES:** It has \$79.9 million in 2020–21.

**Mr M. McGOWAN:** An amount of \$79.9 million has been allocated for 2021–22.

**Ms M.J. DAVIES:** That is right. Can the Premier explain to me whether the funding is for upgrades? The previous government made sure that there were seatbelts on all those school buses and air conditioning where appropriate. Is this funding for the operation of those school bus services straight out of the Department of Transport's budget and into the Department of Regional Development?

**Mr M. McGOWAN:** This is part of the subsidy to ensure the continued operation of the school buses. I think that the total cost of service is \$129 million, and \$79.9 million has been allocated in that year to assist in providing the subsidy.

**Ms M.J. DAVIES:** Has the department done work to bring the remainder of that subsidy over the forward estimates in future and thereby bring the whole operational subsidy into the budget?

**Mr M. McGOWAN:** We would have to answer that question in next year's budget once the Expenditure Review Committee has considered the matter. I do not think that I can answer questions beyond the forward estimates. The cost of this program increases each year. It is an important program to ensure that regional students have good access to school. We want to make sure that this important program continues and that is why we are ensuring its longevity.

**Ms M.J. DAVIES:** Did the department do any other work to identify other regional subsidies that might be brought into the royalties for regions budget—for instance, the regional town bus services or any of the other Transwa subsidies—since the department has worked on them?

**Mr M. McGOWAN:** Not as far as I am aware. Obviously, this is a very large spend. Essentially, the cost of the service in any given year is \$129 million. It is a very large spend and the royalties for regions program will meet \$79.9 million of that. I want to ensure its longevity. Obviously, there is pressure on the budget and ensuring the longevity of that program is important.

**Mr D.T. REDMAN:** The Premier wants to ensure the longevity of the orange school bus service.

**Mr M. McGOWAN:** I want to ensure that it continues in the future.

**Mr D.T. REDMAN:** Strewth.

**Mr M. McGOWAN:** Under the previous government, various programs finished, such as the South West Emergency Helicopter Service. We found ways to continue to fund that. We want to continue the regional school bus service.

**Ms M.J. DAVIES:** The inference, therefore, is that if royalties for regions did not pick this up, this government would not be funding the orange school buses.

**Mr M. McGOWAN:** We cannot ensure that we will be in office forever, so we want to guarantee it against future governments that might not want to support it.

**Mr D.T. REDMAN:** So shifting the funds from the consolidated funds to royalties for regions is ensuring its continuation —

**The CHAIR:** Member for Warren–Blackwood, you will get your chance to ask a question. Leader of the National Party, any further questions?

**Ms M.J. DAVIES:** No.

**The CHAIR:** Thank you. Member for Warren–Blackwood, it is your turn.

**Mr D.T. REDMAN:** I refer the Premier to the “Royalties for Regions Expenditure” table on page 179 of the *Economic and Fiscal Outlook*. The top initiative is “Natural Resource Management Program”, and \$6.2 million has been allocated in each year over the forward estimates. By definition, I assume that that is all the regional NRM groups. I note that on page 188 of volume 1 of budget paper No 2, the table under “Spending Changes” refers to “Natural Resource Management—Metropolitan”. I note that the metropolitan natural resource management program has \$1.55 million of new money a year in the forward estimates. Can the Premier give me the reason that the regional NRM groups—my understanding is that there are six of them—will get only \$6.2 million, yet the metropolitan NRM group on its own will get \$1.5 million?

**Mr M. McGOWAN:** What page is that? Did the member say page 188?

**Mr D.T. REDMAN:** Page 188, right at the bottom under “Spending Changes”, it refers to “Election Commitments: Natural Resource Management—Metropolitan”. I recognise that that is not a part of this division, but my point is in reference to the regional component funded from royalties for regions.

**Mr M. McGOWAN:** I am trying to understand the member's point. What is the point?

**Mr D.T. REDMAN:** It is great to see on page 179 of volume 3 that the government is funding the regional natural resource management program into the out years with \$6.2 million a year. My understanding is that there are six regional NRM groups, which means that we are looking at about a million dollars, assuming it is allocated equally,

for each regional NRM group, yet the same budget papers fund the metropolitan natural resource management group to the tune of over \$1.5 million. These are all part of the natural resource management network. There are seven groups.

**Mr M. McGOWAN:** I will make a couple of points. The historic split of natural resource management funding is 80:20 with 80 per cent in the regions and 20 per cent in the city. The budget reflects what has occurred before. Obviously, it is a very important program and I was very keen to ensure that it continued. We have ensured that both city and regional natural resource management groups continue. That is in accordance with, I think, the election commitment that we made. We obviously do not want to use royalties for regions money in the city. We cannot and would not fund the city group from royalties for regions.

**Mr D.T. REDMAN:** Can the Premier confirm to me the lead agency for the allocation of those resources? Did the lead agency make a submission to the Department of Regional Development for those funds?

**Mr M. McGOWAN:** It was an election commitment, as I understand it. I will not answer the question about who made what submissions internally in government. It was an election commitment and Mr Addis will advise the lead agency.

**Mr R. Addis:** The Department of Primary Industries is the lead agency for the overall administration of natural resource management in this state and that whole fund, including both the regional and metro components. It will be open for all groups to apply and not only the existing NRM groups. I think that will be in process in due course.

**Mr D.T. REDMAN:** Do any of the natural resource management funds allocated there go towards central administration of what used to be the NRM office?

**Mr M. McGOWAN:** Which aspect? Does the member mean the RforR money or the consolidated account money?

**Mr D.T. REDMAN:** I mean the two pools of money. I recognise that the CA money is not in the brief of this division, as the Premier highlighted before to the member for Cottesloe. Therefore, my question relates to the RforR money that is in the brief for this division.

**Mr M. McGOWAN:** I will explain what I am aware of. As the member knows, natural resource management funding goes to regional volunteer-based not-for-profit groups across Western Australia—planting programs, soil recreation, erosion programs and the like. They are terrific and I have a lot of time for them. The state has allocated \$6.2 million for regional programs and \$1.55 million for metropolitan projects, and that reflects the historic split. Future grants will be called community stewardship grants. Large grants will be for between \$25 000 and \$450 000, or higher value, and involve multi-year, multi-activity, more strategic and complex projects. Small grants will be for lesser value, shorter and simpler projects. As I understand it, the administration costs are kept to 10 per cent of the amounts, which reflects the historic arrangement.

Obviously there is some administration because we have to be accountable for the money we spend and so forth. There has to be some administration.

[12.30 pm]

**Mr D.T. REDMAN:** Is that 10 per cent going to the Department of Regional Development staff in Perth, or is it going to 10 per cent of the project component? Is that what Mr Ruprecht is referring to?

**Mr J.K. Ruprecht:** That cost goes to the administration of the grants program, so the staff who were in Agriculture and Food are now part of the Department of Primary Industries and Regional Development. There of course are administration costs involved with each project, and each project needs to incur those costs.

**Mr M. McGOWAN:** I will clarify. Have those arrangements been in place in relation to this over time?

**Mr J.K. Ruprecht:** That arrangement has been in place for a number of years now, and certainly over the last three to four years.

**Mr D.T. REDMAN:** Can the Premier confirm that no projects in the royalties for regions program other than that one are funding central office staff, and the administrative costs in an RforR program for what used to be the Department of Regional Development?

**Mr M. McGOWAN:** You said you did not want to include the department itself, but essentially you or Brendon Grylls were minister when the entire department on William Street was funded from RforR; correct?

**Mr D.T. REDMAN:** For clarification, page 179 has a line item for administration. Presumably that is funding from the royalties for regions program for what used to be the Department of Regional Development central office, which is now a subcomponent of the bigger agency. Mr Ruprecht has just mentioned that a 10 per cent component of the natural resource management program is supporting funding in central office, albeit what used to be the NRM office. Can the Premier confirm that no other RforR-funded programs have a component that funds central office staff?

**Mr M. McGOWAN:** Just so we get it straight, I think Mr Ruprecht was saying that over the last three or four years a component of that program has been used to fund administration. That was the case when you were minister, and it is under the current minister. Whether that was in central office or an office in a regional community I am unaware, but I will get him to clarify that point and then I will answer the other part of the member's question.

**Mr J.K. Ruprecht:** Yes, those offices are based primarily in South Perth and provide that administrative support to the program, and have done over the number of years that that has been funded.

**Mr M. McGOWAN:** So that is the first component. Mr Addis wants to add something.

**Mr R. Addis:** A range of other RforR-funded projects involve Department of Primary Industries and Regional Development operational staff in their delivery, as they have since RforR commenced. I do not think there is any particular change in that pattern in this budget.

**Dr D.J. HONEY:** I refer to the regional small water projects in table 1 on page 179 of budget paper No 3 that include water opportunities in regional economic development, the regional estuaries initiative, regional water availability, planning and investigations, and also Watering Western Australia. It appears that those programs will be defunded. Are they complete projects in themselves, or will another program start up to deal with important water projects in the regions?

**Mr M. McGOWAN:** I do not know the answer to that. I will ask Mr Addis to comment.

**Mr R. Addis:** By and large they are previous time-limited projects that are coming to an end. Questions about continuing work in those or related areas would best be referred to the Minister for Water.

**Mr M. McGOWAN:** The member identified that there is a range of programs. Sometimes programs have a defined period that expires, and the work needed finishes. Whether we come up with new projects is a matter for the next budget.

**Mrs L.M. O'MALLEY:** I refer to the second line item on page 171 of budget paper No 3, "Myalup Primary Industry Reserve". Can the Premier tell us what the money was used for and what it will do for agriculture and job creation in the south west?

**Mr M. McGOWAN:** It is otherwise known as Myalup transforming agriculture. I have been talking about Myalup a lot lately. Stage 1 will release 500 hectares for irrigated agriculture, with the potential for a further 1 500 hectares in later stages. The full development of the project of 2 000 hectares could achieve a gross value of agriculture production over a 21-year lease period of \$1 billion and create 450 jobs. It involves 2 000 hectares of land near Myalup being converted from plantation timber production to higher value irrigated agricultural production. New timber plantations will be established east of Collie. Unallocated groundwater of approximately 5.3 gegalitres has been temporarily reserved to support the project, and additional water supply from managed aquifer recharge and from the Myalup-Wellington project is being explored. Funding of \$5 million has been allocated in 2017-18 to commence relocation of the timber plantations to the Collie River catchment, including \$4.52 million for land purchase costs for the Forest Products Commission. The release of 500 hectares under stage 1 has the potential to grow produce with a market value of \$280 million over a 21-year agricultural lease period and generate 114 jobs. That is a very interesting project. An initial application has been made to the commonwealth regional growth fund of \$10 million to support implementation. I note that the Myalup-Wellington project was announced by the commonwealth the other day.

**Ms M.J. DAVIES:** I refer to the line "Laverton Community Hub" on page 176 of budget paper No 3. Can the Premier confirm that \$4 million was returned by the project proponents, and clarify whether that changed the scope of the project?

**Mr M. McGOWAN:** As part of the 2017-18 state budget review the total funding allocation for the project was reduced to \$4 million, and it is proposed that the savings be repurposed towards Laverton Hospital. Obviously we cannot afford everything, and our priority in that community is Laverton Hospital. I would like to do that, and in my view the community hub is of lesser priority than the hospital. But we have not fully funded the hospital; we are looking at how we might do that in future years. Obviously we are looking to allocate that \$4 million towards that project.

**Ms M.J. DAVIES:** To clarify, Premier, the project has been reduced by \$4 million on the premise that Laverton Hospital will be funded, and comments were certainly made to the community—either informally or formally—that the chances of them having their funding for the hospital reinstated would be enhanced if they handed back \$4 million from the Laverton Community Hub, but Laverton Hospital has not been funded in the forward estimates anyway, has it?

**Mr M. McGOWAN:** I understand that the \$4 million will go toward that project, but we have not fully funded the project, as I said before. It is one of the things that the Ministers for Regional Development and Health are working on, but, no, it is not fully funded in this budget.

People want to think about whether spending \$8 million on a community hub as opposed to a hospital is a high priority. We are obviously keen to do the Laverton Hospital at some time. If we can make these sorts of savings,

it is easier for us to achieve that outcome. We obviously do not have enormous amounts of money to throw around. As I indicated before, from memory, \$30 million was spent on the Manjimup centre revitalisation.

[12.40 pm]

**Mr D.T. REDMAN:** It was \$20 million.

**Mr M. McGOWAN:** Was it \$20 million? I thought it was \$30 million. The Manjimup hospital was, I think, \$35 million. We have funded or are funding a range of projects, but we cannot do everything. I personally—I have not spoken to the Laverton community about it—would have thought the Laverton Hospital would be a higher priority than the Laverton community hub.

**Ms M.J. DAVIES:** Has that \$4 million that has been handed back been quarantined for the Laverton Hospital going forward?

**Mr M. McGOWAN:** Yes.

**Ms M.J. DAVIES:** Is that in the administered items?

**Mr M. McGOWAN:** It is in the regional investment initiative. I think the hospital itself will cost in the vicinity of \$20 million, so we need to find more money in future years, but as I said, we cannot do everything.

**Ms M.J. DAVIES:** Was the handing back of the \$4 million by agreement or was that a demand from the department? Is there a formal agreement between the community and the department?

**Mr M. McGOWAN:** I understand the Minister for Regional Development met with the community, the council and the like and that was the agreed position.

**Mr D.T. PUNCH:** Premier, I refer to table 1 “Investing in Jobs” on page 170 of budget paper No 3, specifically “Halifax Business Park”, which is about halfway down. There is an allocation of \$3 million. This is a very important project for my electorate and for growing jobs. Can the Premier advise the status of the project, please?

**Mr M. McGOWAN:** I will ask Mr Addis to comment.

**Mr R. Addis:** I will ask the chief executive officer to comment.

**Mrs R. Ball:** Thank you, member for Bunbury. That project is in its early stages. The Halifax improvement group held its first meeting in February this year, with the next meeting planned for later this month to work through priorities on how to put together a forward plan to make the most of that election commitment. The South West Development Commission is managing those funds with our colleagues in the department and working alongside other agencies. It is at a very early stage but it is underway.

**Mr M. McGOWAN:** I can expand on that. The money will be provided for road, water and security improvements and the investigation of deep sewerage options, and a review of the firefighting requirements for the Halifax business park. No doubt it is great news for Bunbury. It is another achievement by the member for Bunbury.

**Mr I.C. BLAYNEY:** I refer to the “Rail Future Fund” about halfway down page 178 of budget paper No 3. The fund totals \$31.4 million across 2019–20 and 2020–21. I am curious to know where it is going.

**Mr M. McGOWAN:** I will get a briefing note on it, but I will talk about it in general terms. Prior to the state election, we made an announcement of improvements to the *Australind* service in particular. A range of communities along the line, from memory, will get upgraded stations and an upgraded train service. I do not know whether the member has seen the *Australind* lately or travelled on it.

**Mr D.T. PUNCH:** It is classic.

**Mr M. McGOWAN:** It is classic; it is a trip down yesteryear. It certainly takes you back in time. I am not sure whether Michael Portillo would find that service up to his standards, but it is not as good as we would like it to be. The program will extend to the purchase of a new *Australind* railcar and upgrade to the Yarloop, Cookernup and North Dandalup train stations on the Bunbury rail line. The station upgrades include construction of high-level platforms and improved disability access. One of the things we were examining—I am not sure whether it is possible—was the potential move of the station back into the City of Bunbury. That might be very, very difficult, but it is one of the things we are examining as part of this project. It is a significant spend on transport in the regions but, as we know, it is a rapidly growing area. Giving people options for public transport in regional Western Australia is very important. That is what this is about. As I said, once it is done, I will invite Michael Portillo back. He can read a guidebook and travel down there in his mustard-coloured coat!

**Mr I.C. BLAYNEY:** I have caught the service, and it is one of the most enjoyable train journeys I have been on. It is two and a half hours and the countryside is beautiful.

**Mr D.T. PUNCH:** Great destination at the end too!

**Mr I.C. BLAYNEY:** Perth, yes!

**Mr D.T. REDMAN:** I refer to page 171 in the *Economic and Fiscal Outlook* and the line item “Southern Forest Irrigation Scheme”. I note that the government, pleasingly, has allocated \$19 million to support that initiative. Given the federal government has not been forthcoming in providing its share of that fund, can I seek an undertaking from the Premier, or through the director general, that the government intends to keep that there, because I am assuming future federal water resources will be available to supplement a fantastic job-creating project, if I can use the Premier’s words.

**Mr M. McGOWAN:** I will advise what we know at this point and I might get the director general to comment at the end of that. It is disappointing, but as far as I am aware, we have not yet secured commonwealth funding. The state and the grower cooperative are committed to this project and remain optimistic of a positive decision in the future. Prior to the commonwealth’s recent funding commitment of \$140 million towards the Myalup–Wellington project, the state has received none of the national water infrastructure development capital fund. GST considerations aside, this latest commitment is around 32 per cent of the fund, which addresses any previous perceptions of bias to the eastern states. There we are, that is some good news, but Mr Addis might want to expand.

**Mr R. Addis:** That covers it well. We understand further commonwealth rounds are likely to be available and we are keen to continue to take this project into those opportunities and make sure we give it the best chance of coming to fruition.

**Mr D.T. REDMAN:** Can the Premier confirm the proactive actions that the department and/or minister is undertaking with the federal government to secure those resources?

**Mr R. Addis:** At an agency level, we are in constant contact with the federal department that oversees this scheme. Mr Ruprecht is right in the middle of that. The Minister for Regional Development; Agriculture and Food continues to liaise with her ministerial colleagues at that level to make sure we get good results out of the commonwealth programs. I think the announcement last month was a good sign of that.

**Mr D.T. REDMAN:** Some \$19 million is there which, presumably, given we have not been successful in this round, will go further in the forward estimates given that, through previous questions today, the forward estimates are somewhat full. Will there be scope in the budget to cater for this project in the forward estimates given many of the substitutions will come on in the out years?

**Mr M. McGOWAN:** I do not accept some of the premise of the member’s question. I will get Mr Addis to comment on the money, going forward, and what efforts we are going through with the commonwealth in relation to this.

**Mr R. Addis:** Clearly, there is money on the table on the state side, and that is reflected in the budget at the moment. At some point, the state would need to reassess whether it is a realistic option to achieve the leverage funding from the commonwealth that we seek, but for the time being that is exactly what we intend to do.

Whether we can continue to defer it and how we can accommodate it within the cash flows of the overall program is a question we need to answer at each budget review.

[12.50 pm]

**Mr M. McGOWAN:** We never know, but the commonwealth might say we have done Myalup and Wellington and that is enough. That might be its attitude. Would that be a fair statement?

**Mr R. Addis:** It might be. Commonwealth governments change their tune from time to time. At this stage we are reasonably encouraged and we continue to push hard.

**Dr D.J. HONEY:** I refer to page 171 of budget paper No 3. Under “Investing in Jobs” are “Water For Food—Part II” and “Water For Food West Kimberley”. Those programs will cease in 2019–20. Similar to some previous questions, will those programs be completing? I would have thought there would be an ongoing requirement for those projects.

**Mr M. McGOWAN:** I might invite Mr Addis to comment on the status of those projects.

**Mr R. Addis:** They have been ongoing, time-limited projects with fairly defined deliverables, and they have achieved very well and are coming to a conclusion. The money in the budget reflects the completion of those projects. However, it is an important part of the department’s ongoing work to continue to better understand our water resources and make sure that they can be appropriately unlocked, for agricultural development in particular. Some of the work that has been done through these projects puts us in a very good position in that regard.

**Dr D.J. HONEY:** Have specific programs been identified or is the government in a phase of trying to identify future projects?

**Mr R. Addis:** We are in the process, particularly through bringing together the new department, of pulling together the resources. In the first instance, we transferred to the new department a team and some resources that had primary carriage of those Water for Food projects through the former Department of Water and now the Department of Water and Environmental Regulation. That is now part of our department, and it relates closely to

parts of the former Department of Regional Development and Department of Agriculture and Food, so we have a good consolidated capability in that space. Through our restructure work, we are making sure that is brought together and is in good shape to continue to take advantage of that prior work.

**Ms M.J. DAVIES:** I refer to page 176 of budget paper No 3 and the line item “Regional Aged Accommodation Program”. I can see that \$20.9 million is allocated. I would like confirmation that that is a cut to the 2017–18 allocation of \$22.7 million and an explanation of why there has been a reduction given that this is a significant issue facing the regions.

**Mr M. McGOWAN:** The 2017–18 budget had a \$22.7 million allocation for the regional aged accommodation program. An independent interagency government panel will shortly present to the Minister for Regional Development recommendations for funding under the program. We have obviously kept money in the program. I will make two comments on that. To me, provision of aged-care accommodation is a bit like telecommunications in that it is largely a commonwealth responsibility. I have a view that the commonwealth should put money into that. Aged care has always been a commonwealth responsibility. Once again, it is trying to put obligations onto the state as it withdraws its efforts. WA has a lower percentage of doctors compared with the eastern states. We therefore have more patients hitting our emergency departments, particularly in regional Western Australia, which puts more obligation onto the state government. I have written to the federal government about this issue because I think that under-provision is a big issue. It is compounded by the additional under-provision in Western Australia for aged care, which makes the cost to the state even higher. I do not think these things are taken into account in our GST distribution, so we suffer at three levels. Having said that, we will continue to provide money for this program. One of the projects that has been funded is Waroona Housing Options Village, with a \$1.845 million allocation. I understand that a significant amount of money has been allocated for Carnarvon under a separate program. Other programs provide funding for regional aged care. I reiterate that we are still putting effort in, but in my view the commonwealth government should support us in this sort of matter.

**Ms M.J. DAVIES:** Are the projects that will be funded projects that had previous allocations under the Liberal–National government and have been re-scoped?

**Mr M. McGOWAN:** The advice I have is that an independent interagency government panel will shortly present to the Minister for Regional Development recommendations for funding under the program. One project that has been funded is Waroona Housing Options Village. In addition to this project are other line items. We have funded an aged care centre in Collie and a significant one in Carnarvon. But it annoys me that the commonwealth is not doing its share of these things. I think that backfilling, which is what the commonwealth does, is bad policy. We have to do it sometimes, as we had to on the remote services, but it is bad policy because it encourages and emboldens the federal government to pull more effort out of Western Australia and put the obligation onto the state, which is not a good thing.

**Ms M.J. DAVIES:** I understand that the Premier believes that this is a commonwealth funding responsibility. However, did the projects that will be funded by this \$20.9 million have funding allocated to them under the previous government’s initiative? Were they already scoped and did they have to be re-scoped? Are they projects that have had funding taken off them and have been resubmitted into a smaller pot of money?

**Mr M. McGOWAN:** They are eligible to apply and be considered as part of this process, but I will repeat that it is \$22.7 million. On top of that are other line items.

**Ms M.J. DAVIES:** It is \$20.9 million.

**Mr M. McGOWAN:** The advice I have is that it is \$22.7 million if the Waroona one is included. It has already been funded under this process by \$1.845 million so the remaining amount is \$20.9 million. As I said, other line items include aged care, such as Carnarvon, which is another good thing we are doing in Carnarvon.

**Mrs L.M. O’MALLEY:** I refer to page 172 of budget paper No 3 and the line item “Methamphetamine Action Plan”. Can the Premier tell us what the government is doing to combat methamphetamine addiction in the regions?

**Mr M. McGOWAN:** We are doing a lot. From memory, we are funding an important program in Bunbury, the Ice Breakers program in Albany, and a methamphetamine drug rehabilitation centre in the south west somewhere in the vicinity of Bunbury. Regional Western Australia has a significant meth problem, with all the evidence pointing to the problem being larger than in the metropolitan area, which some people might find surprising. It is a significant problem in regional communities. We are supporting all sorts of things, including a rehabilitation centre in the south west. From memory, we are supporting a methamphetamine-focused centre in Kalgoorlie–Boulder, which has 10 beds, in addition to one in the vicinity of Bunbury. A lot of people from regional WA who have methamphetamine problems will end up in prison in Perth. We have two methamphetamine drug rehabilitation prisons that we will roll out for men and women, which will benefit regional people.

**The appropriation was recommended.**

*Meeting suspended from 1.00 to 2.00 pm*

**Division 3: Premier and Cabinet, \$134 636 000 —**

Ms S.E. Winton, Chair.

Mr M. McGowan, Premier.

Mr D. Foster, Director General.

Mr M. Bradshaw, Deputy Director General.

Ms M. Andrews, Deputy Director General.

Mr G. Meyers, Director Corporate Services.

Mr R. Kennedy, Executive Director, State Services.

Ms H. Gladstones, Principal Policy Officer.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The Premier may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the Premier to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the Premier's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if the Premier asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

Members, we are dealing with division 3. I give the call to the Leader of the Opposition.

**Dr M.D. NAHAN:** Thank you, Madam Chair. For clarification initially, I refer to page 57 of budget paper No 2 and the heading "Spending Changes". In 2018–19, there are increased allocations for Infrastructure WA, public sector reform and the transfer of Aboriginal policy to the department. If we add up the positives and negatives in that column, it comes to \$7.3 million worth of higher spending. However, the appropriation amount goes down in 2018–19. Can the Premier do some reconciliation between the announced spending changes and the appropriation?

**Mr M. McGOWAN:** I will make some comments before I hand over to my advisers to provide more detail. At the bottom of page 57, the Leader of the Opposition will see the 2018–19 start spend for Infrastructure WA, which ramps up over the forward estimates to \$5 million per annum, which is very modest by national standards. It is the most affordable of such bodies nationally; nationally, they are generally far more expensive than that. We are delivering on our election commitment to provide for Infrastructure WA. I suspect over time this will become a bipartisan policy. We all know that the advantage of Infrastructure WA is to ensure a coordinated and rational allocation of state government capital and a proper effort to acquire funding for its programs from the commonwealth government. Infrastructure WA will have a whole range of purposes along those lines. I have released a discussion paper and sought advice as to what the exact structure will look like, but we know that it will have both public and private sector involvement.

The public sector reform is a commitment to the Department of the Premier and Cabinet that has largely arisen from the Langoulant review. Mr Langoulant said that the central agencies, in particular DPC and Treasury, did not have sufficient strengths for some of their functions. So we have provided some support to both DPC and Treasury. The Leader of the Opposition would know, as a former Treasurer, that over the last 10 years or so, Treasury's budget barely grew while the budget of other agencies grew significantly, and the central agencies of government have needed additional support. That is those two. In terms of the specific question the member asked, I will ask Mr Foster to comment or get an adviser to comment.

**Mr D. Foster:** Leader of the Opposition, the net result is obviously the result of significant increases as a result of public sector reform and Infrastructure WA, but there are also significant savings. That is a shorthand explanation of the difference. I will ask Mr Meyers to talk about some of the specific reductions to explain that net difference.

**Mr G. Meyers:** Thank you. I guess if we look at the total cost of services line for the 2017–18 estimated actual, which is \$160 million, compared with the 2018–19 budget of \$149 million, there is a net decrease of close to \$11 million. That change of \$11 million also incorporates the increases for Infrastructure WA, public sector reform and the Aboriginal policy to which the Leader of the Opposition previously referred. The overall net reduction relates to some one-off funding issues for 2017–18, specifically funding for the South West Native Title Settlement

Noongar Land Fund of \$2.8 million. We received supplementary funding of \$2.4 million for Yarloop. The allocation for Local Projects, Local Jobs reduces by \$2.25 million. There is an adjustment for the Office of the Government Chief Information Officer of close to \$1.7 million. The strategic assessment of the Perth–Peel region decreases by \$1.1 million. There is a voluntary targeted separation scheme impact reduction of \$1 million. Funding for the inquiry into government projects reduces by \$1 million in that year. That closely covers the net impact of reduction of \$11 million.

**Dr M.D. NAHAN:** The Office of the Government Chief Information Officer has been brought into the department from somewhere else. Is that a positive or negative impact on the overall spend?

**Mr M. McGOWAN:** I will invite Mr Meyers to respond to that question.

**Mr G. Meyers:** The funding for GCIO drops by \$1.7 million in 2018–19 compared with the previous year, 2017–18.

**Dr M.D. NAHAN:** Was that agency brought into DPC last year, 2017–18, or will it happen in the prospective year, 2018–19? What is the cause of the drop? Is it a transfer from that agency from somewhere else or is it a cut to its budget?

**Mr M. McGOWAN:** I will invite Mr Foster to respond.

**Mr D. Foster:** The Office of the GCIO is currently attached to the Department of Finance; it is a sub-department in the Department of Finance. The government has decided to transfer it to the Department of the Premier and Cabinet from 1 July this year. The funding for OGCI, which was established under the former government, I believe, in 2015, had a three-year life. The government has extended that to the 2019 calendar year and will make further decisions about the ongoing nature of that body once it has made decisions in coming months about the direction it will take and the new responsibilities it will pick up.

**Dr M.D. NAHAN:** When it is transferred from the Department of Finance to the Department of the Premier and Cabinet on 1 July 2018, will there be a reduction in its budget allocation?

[2.10 pm]

**Mr M. McGOWAN:** I will ask Mr Foster to respond.

**Mr D. Foster:** I will get some specific details from Mr Meyers, if I may.

**Mr G. Meyers:** In the budget papers, the financial information for the Office of the Government Chief Information Officer has been back cast for comparative purposes. The 2017–18 estimated outturn for the Government Chief Information Officer includes expenditure of \$9 million, and based on the funding that has been left over, \$7.3 million or thereabouts has been allocated for 2018–19.

**Mr Z.R.F. KIRKUP:** I refer to page 58 and the second dot point under “Significant Issues Impacting the Agency”, which notes that the GCIO will be transferred to the Department of the Premier and Cabinet, and I quote the following relating to cybersecurity —

... ensuring that information and communications technology (ICT) performance, data sharing and cyber security are strengthened.

Has anything specific been identified? I note the comments the Premier made yesterday about leaks or issues within the agency. I imagine that might be about something that happened in an electronic or information and communications technology–related environment. Is that why the GCIO has been brought in?

**Mr M. McGOWAN:** I will ask Mr Foster to comment on the question.

**Mr D. Foster:** This picks up issues that were identified in the service priority review—the need to have greater attention to issues such as cybersecurity and data sharing. That office already existed under the previous government but had a slightly different purpose, primarily around the procurement of ICT. The intention is that this office will morph into an entity that has a stronger cybersecurity focus. That specific mandate will be given to the office on 1 July and funding has been provided accordingly. It is not to do with any particular issues other than regular reports over a number of years by the Auditor General about the need to strengthen cybersecurity across the sector.

**Mr Z.R.F. KIRKUP:** Will the GCIO look at the security review that the Premier noted yesterday?

**Mr M. McGOWAN:** I would not have thought so. No, that would not be my view.

**Ms A. SANDERSON:** My question relates to page 61 of budget paper No 2, volume 1, service 1, “Administration of Executive Government Services”, and administrative support to the Premier and ministerial offices. Is the Premier able to outline the current workload in regard to processing FOI applications; and, if that workload has increased, what has driven that increase?

**Mr M. McGOWAN:** Since 1992, the Western Australian government has had a Freedom of Information Act, an important part of accountability for Western Australia. In the 2017–18 financial year, on behalf of ministers’

offices and the department, there have been 144 FOI applications. In the 2016–17 financial year, it was 79 and in the 2015–16 financial year, there were 94. Compared with 2016–17, it is already around double and obviously we have not finished this financial year as yet. There have been 53 FOI applications from the opposition. There have been a range of applications that could only be described as “nuisance” applications. Some of the applications have been duplicated between members of the opposition and the Leader of the Opposition’s office. Some FOI applications have been put in seeking every single text message I have sent to a minister over the course of the year or since we arrived in office or something of that nature. The broad and imprecise nature of many requests have therefore contributed to FOI applications not being able to be dealt with within the legislated time frame; therefore, the FOI unit is under enormous pressure. FOIs from members of the public are therefore experiencing delays and journalists’ FOIs are experiencing delays. As I said, some of them have been duplicated between members of the opposition frontbench and the Leader of the Opposition’s office, with the same ones being sent—so much so that on occasion we have had to consult with the shadow minister about whether we can reveal their identity to the opposition leader’s office in order to answer an FOI. That is the coordination that has been going on. All I would say is that FOIs are an important part of accountability of government, as we know, established in 1992. It has been a worthwhile initiative, but if it is overloaded, the consequence is that we cannot have answers in as timely a fashion as we would have liked. Of course, when an FOI comes in, an enormous amount of consultation needs to go on in order to provide the information that is required under the law. That consultation takes time. If there are twice as many applications in the course of this year than in the year before, members can see the pressures that would place on the staff. I urge everyone to be considerate and take account of these pressures in FOI applications. If they want to put in another 100 or 200 applications, it just means that the system is incredibly delayed as a consequence, and those perhaps more legitimate FOIs, which seek important information rather than nuisance information, are delayed. I urge everyone to treat the FOI laws in the spirit in which they are meant to be treated.

**Dr M.D. NAHAN:** Could the Premier tell me how many FOIs the government has sent?

**Mr M. McGOWAN:** I do not understand the Leader of the Opposition’s question.

**Dr M.D. NAHAN:** The government has undertaken a couple of FOIs on activities of the previous government. I received a number of them from the Premier or his ministers; they are time consuming. I am just wondering how many FOIs the government has initiated over activities of the previous government, since we are talking about excessive use of FOI.

**Mr M. McGOWAN:** I gave the member the figures I have from that financial year. I get the point about members of the government, but 144 applications have already been received in the 2017–18 year, with a huge number from the opposition. Compare that with 2016–17—the last three quarters of which was in the term of the former government—when there were 79 applications, and we can see that there has been a significant increase in the number of applications. I think what the Leader of the Opposition might be referring to is requests for information from government to the former opposition about issues of public moment. I am not sure that they are FOIs. It might be a different thing that the Leader of the Opposition is referring to.

**Dr M.D. NAHAN:** I would like to discuss Infrastructure WA, which is at page 57 of budget paper No 2 under “Spending Changes”. What will Infrastructure WA actually do? I have read the background paper. The Premier indicated that this is low cost relative to other infrastructure equivalents around Australia, and it is. However, from my reading of the Premier’s paper, Infrastructure WA will not do anything that the other ones do not already do. It will specifically assess new projects, whether election commitments or others, assess policy decisions of the government of the day, and focus on longer-term coordination of infrastructure planning, which all of them do. There is no criticism of that. Since the Premier has released the background paper, has he reconsidered whether Infrastructure WA will look at infrastructure projects already underway or being planned or implemented by the government of the day?

[2.20 pm]

**Mr M. McGOWAN:** Infrastructure WA was an election commitment as part of our program for the 2017 state election. Its key objective will be to improve infrastructure planning and decision-making to maximise the value to Western Australia from every dollar spent on infrastructure. This will create more certainty, a better environment for private sector investment and more secure long-term jobs. Infrastructure WA will help to tackle issues experienced in recent years, including the lack of a long-term infrastructure strategy; siloed decision-making; a lack of transparency, consultation and engagement; and issues experienced with infrastructure delivery, from business case development to construction. The IWA proposal aligns with recommendations of the inquiry into government programs and projects—I forgot about that; the Langouant report recommended this. A haphazard approach to infrastructure planning cannot continue; it is not in the public’s best interests and it undermines industry confidence, which impacts on the economy and jobs. Infrastructure WA will set our vision, identify challenges, establish priorities, recommend direction for infrastructure planning and investment for the next 20 years, and advise government on the highest-priority infrastructure projects most needed for the state. It will have an independent board made up of senior members of government—that is, from the public sector; they

will not be political appointments. My expectation is that it will have an independent chair from the private sector, but that is a matter for consultation. Infrastructure WA will also provide government with advice on alternative funding and financing options, certainty, and a better environment for investment to create jobs. It will work with government agencies to improve consistency and quality of business cases, including those submitted to the commonwealth, boosting WA's competitiveness and opportunities to create jobs. New South Wales and Queensland have these bodies. I think Victoria has one, but certainly the commonwealth has. There are various models. New South Wales has a bigger version, which has taken over some of the responsibilities of individual agencies in terms of project planning, scoping and the like. We are going for a smaller, more targeted model. I must say that I have not had a single piece of negative feedback from anyone in the business community about this proposition; it has overwhelming support from the business community. Over time I expect that what it produces will become bipartisan. I suspect that the Leader of the Opposition and I will not be here, but in 10 or 20 years' time the opposition and government will be arguing at the edges about infrastructure because the document will largely set out the priorities, projects and the like for the future of the state, which will largely be a good thing. That is a good model and that is what is in place in other states.

**Dr M.D. NAHAN:** Will this model assess current proposals by the government of the day, such as Metronet? Will Infrastructure WA do an assessment—a cost-benefit ratio or whatever it will do—of the government's Metronet projects, for instance?

**Mr M. McGOWAN:** As the Leader of the Opposition can see from the forward estimates, in 2018–19 there is an amount of \$1.8 million, in 2019–20 it is \$3.5 million, in 2020–21 it is \$5 million, and then \$5 million after that. Our Metronet program, which is the rail line to Ellenbrook, Yanchep, Thornlie–Cockburn, Byford and the others, will largely be underway or completed. Obviously, Infrastructure WA will be looking forward rather than backwards. In any given year, the state spends in the vicinity of \$6 billion to \$7 billion on infrastructure—that is the natural order of things. Obviously, making sure that we have a coordinated, cohesive, thought-through infrastructure program in the future is very important.

**Dr M.D. NAHAN:** Back to my point: if the government of the day, either today or in 10 years' time, comes up with a proposal to build a project in the general government sector—it does not matter what—will Infrastructure WA be expected to do an assessment of that project and give a recommendation to the government before the government commits to the project, as the commonwealth one does?

**Mr M. McGOWAN:** In the future?

**Dr M.D. NAHAN:** Under this model, will Infrastructure WA be required to do an assessment of infrastructure projects committed to by the government and to provide an assessment of that project, just like they do in the commonwealth, New South Wales and Victoria, and make a recommendation to the government? In other words, under this model, will Infrastructure WA have the teeth to do an assessment of a project to which the government commits?

**Mr M. McGOWAN:** I imagine that governments would work with Infrastructure WA to work out which projects to commit to. If it started 10 years ago, I think the Leader of the Opposition's question might have more validity. Obviously, to reassess contracts that are signed, election commitments that are underway, and projects that are about to be built or are being built and to say that we will not do them anymore and to leave a half-built hospital, railway line or pipeline is not really its role, and I would not think that anyone would think that. It will involve planning documents. It will start its processes over the next couple of years and will become a bipartisan organisation over time. If and when the Liberal and National Parties ever get back into office, I suspect they will work effectively with Infrastructure WA. It is not intended to be political; it will have an independent board. The Leader of the Opposition is asking me whether it will go back and analyse projects that are signed up and commenced; I do not understand his point.

**Dr M.D. NAHAN:** No, I mean prospectively. In the future, a government will announce or consider a new project. Let us say that Infrastructure WA comes out with a plan that identifies needs—it might be rail; it might be a hospital—just like these bodies do for the commonwealth and other places. When the government of the day starts implementing that plan, the projects that it decides on will go back to Infrastructure WA. Infrastructure Australia, Infrastructure Victoria and Infrastructure New South Wales are expected to do an assessment of new projects—not back-casting—and to give a recommendation or otherwise. We are trying to find out the gamut of activity of Infrastructure WA—that is it. Will it assess new projects, not past, that the government is considering? Will it make an assessment and make that publicly available? Is Infrastructure WA going to be an assessor of the bona fides of new projects?

**Mr M. McGOWAN:** It is designed to be prospective, so I would imagine that it would look at new projects. The first task of the government will be to get the legislation through the Parliament. The second task, once the board is appointed and the like, is for Infrastructure WA to develop a 20-year strategy. I suspect that will take some time. How that fits with whatever happens in the future, I do not know. I am not going to say to the Leader of the Opposition at the next state election or whomever is the opposition leader at the following state election that their

promises must align with the 20-year strategy, but I would urge them to. I suppose that is the way it works. It is not subverting the democratic process; what it is saying is that there is an independent board that will look at the priorities of the state for its long-term future and political parties can choose to align their commitments and promises to those or otherwise. I expect, over time, that they would be wise to align their priorities.

**Dr M.D. NAHAN:** Fair enough; I agree with that. There is no disagreement in the private sector. The question I have, to which I will obviously not get an answer, is about when a government makes a decision to invest in a project. In all other states and the commonwealth the infrastructure body is expected to do an assessment of a project, make that assessment publicly available and rank the project against other projects, so that there is some independent assessment of the choices of the government of the day. I do not think, from the Premier's response, that that is what the government has done here.

**Mr M. McGOWAN:** The question about what the model might be is speculative. It has been out for public consultation and work is now being done on the model we will bring forward. When the model comes forward, I think I will be able to better answer the Leader of the Opposition's question. It will come to the house. We are not trying to somehow escape scrutiny or do something inappropriate or anything of that nature; we are trying to create something that has worked well elsewhere and means that governments spend infrastructure money wisely. I think a \$5 million investment per annum, when governments have a \$7 billion infrastructure budget and the prospect of securing billions of dollars more in commonwealth money, is a wise investment.

[2.30 pm]

**Mr D.T. PUNCH:** This question refers to the sixth dot point on page 58 under "Significant Issues Impacting the Agency" and relates to the GST. What is the current state of play on the GST issue so that Western Australia receives its fair share, and what work is being done in the department on the issue?

**Mr M. McGOWAN:** As we know, it is a big issue for Western Australia. It is one of a number of financial impacts on our state, and there are many. One is the lack of a commonwealth commitment to the remote communities housing and maintenance program. The commonwealth has pulled \$100 million out of that program. Think about that: over four years that is \$400 million in housing in some of the most difficult environments in the world where maintenance and keeping housing over the heads of some of the poorest and dispossessed people is an issue. That is a \$400 million shortfall for Western Australia as a consequence of the commonwealth's decision. I have been at the Council of Australian Governments and have raised the issue directly with the Prime Minister. I saw the Northern Territory Chief Minister raise the issue with the Prime Minister. The Prime Minister was negative about giving anything to the Northern Territory and I note that the Northern Territory was funded recently. I urge the commonwealth to give Western Australia the same treatment as it gave the Northern Territory. Quite frankly, it is not fair. Why is it that a remote Aboriginal person living to the west of the Northern Territory border is treated to the detriment of a remote Aboriginal person living to the east of the Northern Territory border? To me it is not fair and it is not right. That is an issue we will continue to pursue with the commonwealth.

Then there is the issue I was talking about earlier; namely, the lack of GPs in the state which is forcing many more people to go into emergency departments, resulting in higher hospital expenses. We also have a lower share of aged care beds and that puts more pressure on hospitals, which is not reflected in our GST share and which is costing the state a lot more in terms of health care and, therefore, Western Australia is disadvantaged once again. We have one of the lowest rates of GPs anywhere in the country. When I was in Newman the other week I learnt that there are only one or two GPs in that town; I think it is one. Members should think about that: one GP in a town of 4 000 or 5 000 people. What does that mean? It means that everyone goes to the hospital, which is therefore a cost on the state. We pick up the cost of the hospitals and Medicare picks up the cost of GPs. It is a big problem for Western Australia. On top of that is the GST issue.

Obviously this issue has been around for a long time. I remember voting against Western Australia signing up to the GST arrangement when I was in opposition in 1999. We had a range of votes in here.

**Mr Z.R.F. KIRKUP:** What is this? What are we doing in estimates if the Premier just keeps getting dorothy dixers? This is not a history lesson.

**Mr D.T. PUNCH:** It is my question, hang on.

Several members interjected.

**Mr M. McGOWAN:** I think history is important. It is important that people learn about history. I remember voting in here on a number of occasions against Western Australia signing the GST arrangement. We said that Western Australia would be disadvantaged and we were right.

**Dr M.D. NAHAN:** You were wrong.

**Mr M. McGOWAN:** I was wrong?

**Dr M.D. NAHAN:** Yes, the way you argued it, you were wrong.

**Mr M. McGOWAN:** Okay. Obviously the Liberal Party supports our GST share. They signed us up to it, so no doubt they do.

I remember being part of the debate. Admittedly I was a junior MP and I was listening to more senior people like Geoff Gallop and Eric Ripper who put the case very cogently, but we were adamant that it would disadvantage Western Australia and we were right. The arguments that were put were about the fact that our share would go down over time and the reality is that the state government knew it but still signed up. Now we are in this position. I will outline where we are at. We are expected to lose \$16.7 billion over the period 2017–18 to 2021–22 relative to our full population share. Some people might say that getting to 48 cents in the dollar is a victory. We are still down \$16.7 billion over the next four years on what we would have been if we received our population share. Obviously the commonwealth now has the Productivity Commission report. I urge the commonwealth to release that report as soon as possible and provide us with a proper response to that Productivity Commission report because it is very important to Western Australia that we get a proper response and we have some forward planning in relation to this issue. People are saying that everything is fixed now because we are 47 cents in the dollar, whereas I do not think that is right. Over the forward estimates our share goes to the mid-60s I think. Still, the lowest level that another state has ever gone to is around 92 or 94 cents in the dollar.

**Dr M.D. NAHAN:** It is 71 cents.

**Mr M. McGOWAN:** No, no-one has ever gone to 71.

**Dr M.D. NAHAN:** Yes; Victoria in 1948.

**Mr M. McGOWAN:** No, no-one has ever gone to 71 cents.

**Dr M.D. NAHAN:** Yes, they have.

**Mr M. McGOWAN:** I can advise the Leader of the Opposition that they have not.

**Dr M.D. NAHAN:** Yes, they have—twice, actually.

**Mr M. McGOWAN:** The Leader of the Opposition might have to correct the record.

**Dr M.D. NAHAN:** No, I do not think so; the Premier will.

**Mr M. McGOWAN:** The Leader of the Opposition might have to correct the record. In any event, the lowest any state has ever gone to is around 90 cents in the dollar.

**Dr M.D. NAHAN:** What is New South Wales today?

**Mr M. McGOWAN:** Opposition leader, please stop defending the GST system.

**Dr M.D. NAHAN:** New South Wales last year was 87.7. It is in the budget.

**Mr M. McGOWAN:** As I said, around 90 cents. Why is the opposition leader defending the system?

**Dr M.D. NAHAN:** Is the Premier going to apologise? He just said he might have to correct the record.

**Mr M. McGOWAN:** I said around 90 cents.

**Dr M.D. NAHAN:** The Premier said no other state —

**Mr M. McGOWAN:** I was asked a question.

**Dr M.D. NAHAN:** We have heard it and it is nonsense. The Premier is just plucking it out of the air as usual.

**Mr M. McGOWAN:** No, GST is an important issue.

Several members interjected.

**The CHAIR:** Thank you, members. We have a lot of divisions to get through.

**Mr M. McGOWAN:** It is an important issue and the fact that the opposition leader is defending the system shows that they have not moved on from when they signed up to the system.

**Dr M.D. NAHAN:** The Premier said that no-one went below 90 cents. It is in front of him and he just misled Parliament.

Since we are talking about GST relativities, according to budget paper No 3 it is expected to go to 47.3 per cent in 2018–19 and then to 65 per cent by 2021–22, growing by about three per cent a year. Where does the Premier think, without any change, the relativities will end? Where does he think Treasury would have done an estimate of this? It is going to 65 per cent. It is no longer 30 per cent. It is 87 per cent this year, expected. It is going to 65, which, by the way, gives a —

**Mr M. McGOWAN:** It is 47 per cent.

**Ms A. SANDERSON:** It is not.

**Dr M.D. NAHAN:** Yes, it is. It is going to 65 per cent in the budget paper in 2021–22. That is a very large increase, almost more than the doubling of the per annum share of GST. Under Treasury's estimate, can I have an estimate, without reform of GST, of where the relativities will go to? It is going to 65 per cent in 2021–22. Where is it going over the next years? Treasury has estimates of this.

**Mr M. McGOWAN:** To what page is the opposition leader referring?

**Dr M.D. NAHAN:** I refer to page 75 of budget paper No 3.

**Mr M. McGOWAN:** What the Leader of the Opposition is asking me is what the relativities will be beyond the forward estimates.

**Dr M.D. NAHAN:** Yes.

**Mr M. McGOWAN:** Treasury is not here, but I think that is a difficult question to answer.

**Dr M.D. NAHAN:** No, it has estimates.

**Mr M. McGOWAN:** If I could just answer the question, I think it is a difficult question to answer because, as the member knows —

**Dr M.D. NAHAN:** But it is relevant.

**Mr M. McGOWAN:** Okay, the Leader of the Opposition can keep going; I will let him go.

**Dr M.D. NAHAN:** It is relevant. The relativities are coming back sharply. There is a 250 per cent increase over the forward estimates. I am asking the legitimate question: where does the Premier think it will stabilise at without reform of GST?

**Mr M. McGOWAN:** Can I answer now?

**Dr M.D. NAHAN:** Yes.

**Mr M. McGOWAN:** It is a difficult question to answer because obviously beyond the forward estimates there is a range of variables. The iron ore price is a variable. Payroll tax take is a variable. The system contains a range of variables that we do not control. The level of the Australian dollar, whether it goes up or down, impacts our take from petroleum royalties in particular. All those things are variables so they are difficult to predict. I cannot give a definitive answer on where it will be beyond the forward estimates. As we know, the forward estimates are instructive, but they are estimates. Last year we had a shock on GST; it went down. Our estimate of where we are going to went down because of our population growth figures that the commonwealth has used. This year we lost what we would have expected would be another half a billion dollars simply because our population, according to the commonwealth estimates, was not growing as fast as we would have liked. There are all these variables that we cannot control. All we are asking for is a bit more certainty in terms of our share of GST and a bit more recognition of the fact that the arguments for reducing Western Australia's share are flawed. The commonwealth has not reformed the system, despite a range of commitments to assist Western Australia. It has undertaken the Productivity Commission inquiry—that is good—but it now has it in its top drawer. I ask it to release it and to respond as soon as possible.

[2.40 pm]

**Mr Z.R.F. KIRKUP:** I refer to “Administration of Executive Government Services” on page 61 of budget paper No 2 and the references to support provided to ministerial offices, the Premier's office and the functions of cabinet and Parliament. I refer the Premier to yesterday's article by Nick Butterly in which the Premier suggested that a security review needs to take place as a result of the leak of a confidential complaint. Will the Department of the Premier and Cabinet undertake this review? What will that review look at? What are the Premier's concerns that warranted an internal or external review taking place?

**Mr M. McGOWAN:** The member for Dawesville would have read the story on Saturday. I was asked a question about it. We are considering the issue and making sure that we have high security standards. The member might have more to add about that issue. I suspect he knows more about it than I do.

**Mr Z.R.F. KIRKUP:** Would the Department of the Premier and Cabinet be responsible for that review?

**Mr M. McGOWAN:** We have not yet decided exactly what sort of review it might be, but, as I said, the member might know more about the issue than I do.

**Mr Z.R.F. KIRKUP:** The Premier obviously has some concerns about the security that exists in the Premier's office or across government and the confidentiality of the systems that operate in ministerial offices.

**Mr M. McGOWAN:** Obviously, we have seen some incidents whereby documents or information have come out of government and have gone to someone—whom the member might be aware of—and then on to the press. Obviously, the member might be able to answer these questions better than I can.

**Mr Z.R.F. KIRKUP:** I am trying to understand the Department of the Premier and Cabinet systems. For the Premier to say that he will order an external review of his own agency is significant. I have not seen that happen in any other jurisdiction, and certainly not in the last eight years of the former government. That seems to be quite concerning.

**The CHAIR:** Is there a question in that?

**Mr Z.R.F. KIRKUP:** The question is: what led the Premier to reach that point at which he thinks that the confidentiality of his ministerial offices or his office warrants a review?

**Mr M. McGOWAN:** I have just been thinking about it. The member will recall that filing cabinets from, I think, the Department of the Prime Minister and Cabinet were found in a second-hand store in Canberra, and there was a major inquiry into that matter. The member may not have heard of these issues, but I think that case shows that there has been a significant release of information at other levels. What has occurred with us is nothing of that magnitude. Obviously, the member for Dawesville has read the stories in the paper, as I have. I read the story on Saturday. We are considering what we might do about it. As I said to the member, I suspect that he is far better informed on where the information came from and he may well have had contact with the journalist in releasing the information any further. Perhaps the member would like to answer the questions.

**Ms A. SANDERSON:** My question relates to page 58 and the third dot point from the bottom, which states —

Western Australia is participating in the refresh of Closing the Gap, with the Department leading this initiative and providing policy support to the Premier and the Minister ...

Could the Premier outline what work is being done in this space?

**Mr M. McGOWAN:** The member has asked me a very good question. I refer to the Council of Australian Governments refresh of the Closing the Gap agenda. After a decade of measuring the discrepancies between Indigenous and non-Indigenous life outcomes, only one of seven national targets is on track. At the second Council of Australian Governments meeting in 2016, all jurisdictions agreed to invest significant effort in refreshing the Closing the Gap agenda. A national consultation process is underway, including an interactive website, to ensure that the final targets are developed in partnership with Aboriginal Australians. The Department of the Premier and Cabinet is coordinating the consultation in Western Australia and has identified 10 priority locations in which there are substantial amounts of government activity. The WA government is working with Aboriginal Australians to ensure that the anticipated outcomes complement and add value to the state government's reforms and priorities. COAG will finalise specific national and state targets as well as jurisdictional implementation plans later in 2018. It is expected that the WA government's commitment to partner with Aboriginal communities will be realised through initiatives such as major infrastructure projects, government contracting, determined native title and Aboriginal Lands Trust divestment.

I might make two points in this context. Obviously, I talked about remote Aboriginal community housing and maintenance. When I went to the Closing the Gap meeting with the Prime Minister earlier this year, the Queensland Premier, the Northern Territory Chief Minister and I raised this issue. The commonwealth has funded the Northern Territory, but it has not funded Queensland or WA. The Northern Territory gets \$4.50 for every dollar of goods and services tax it puts in. We get 47c for every dollar we put in. The Northern Territory gets 10 times a person more than what we get. At the same time, the commonwealth is funding remote housing there, whereas if someone lives in Kiwirrkurra, Warburton or Wingellina on the western side of the border, they will not get the same treatment. What the commonwealth is doing is clearly unfair.

The second point I raise is that the member will have seen that as part of the budget. We have launched and funded our Aboriginal procurement policy to ensure that Aboriginal businesses get a fair share of government contracts. The intention is that by 2020, three per cent of government contracts will go to Aboriginal-owned businesses in Western Australia. We are doing a plethora of other things, including the Aboriginal rangers program and the program I announced on Sunday to assist families whose kids are having difficulties. We are doing all sorts of things to assist Aboriginal Australians, but it is very difficult when the commonwealth is doing what it is doing with housing and maintenance.

**Dr M.D. NAHAN:** I refer to page 57 and the line item "Public Sector Reform", which totals about \$15.3 million. What are the key performance indicators on this? Where will the funding be allocated? Will the government do more consultancy work? Will it do more studies? The Premier indicated earlier that he would further resource the Department of the Premier and Cabinet and Treasury. Is that what the Premier will do?

**Mr M. McGOWAN:** I will ask Mr Foster to comment on that.

**Mr D. Foster:** The decision was made in the budget to fund a series of reforms, including the service priority review, the Special Inquiry into Government Programs and Projects, and, of course, the sustainability health review, which is not complete. A review of the Public Sector Commission is also on foot. There are in the vicinity of 300 to 350 recommendations that DPC will take the lead on and coordinate their implementation. The department has established a public sector reform team that will be co-owned, if you like, by the Department of the Premier and Cabinet, Treasury, the Department of Finance and the Public Sector Commission, with a governance board over that with those relevant chief executives and some additional chief executives from line agencies on a rotational basis. All up, about \$4.4 million is allocated in 2018–19. That will be divided into two major streams of work, one of which is reform mobilisation and implementation, so quite a lot of detailed scoping work is underway, and a proportion of that funding is allocated for whole-of-government targets. The intention is

not to have rafts of consultants employed on this project but rather to do some strategic procurement of consultants when necessary for skills transfer purposes. One of the observations made by both the Langoulant review and the service priority review was the loss of capacity in the sector. That is something that we have to rebuild, whether it be in project management, business case development or strategic human resources. There needs to be some skilling up and functional leadership in a range of areas. That reform will take several years to implement, so we now have secure funding for an office to drive that across the sector. But the important thing is that it is done in a staged, sequenced and carefully planned way in order to ensure there is uptake by the broader sector.

[2.50 pm]

**Dr M.D. NAHAN:** This does not exist under the division for Department of the Premier and Cabinet, but page 132 of budget paper No 2 shows that public sector reform moneys from this project will flow into Treasury. That is why I am going there. Over the forward estimates, senior executive reductions will result in about \$4 million of savings. On the one hand the government is cutting Treasury's senior executive service, which was, by the way, thin on the ground anyway, and on other hand it is putting more money into administrative and other activities. Could the Premier explain why that is not taking from one and giving to another?

**Mr M. McGOWAN:** Every agency of government, including Treasury and the Department of the Premier and Cabinet, has had to participate in the voluntary targeted separation scheme. The Leader of the Opposition knows that there are often people who want to leave, and it might be in their interests and those of the broader agency that they do. Those people go as part of this process, but then, under what we have provided here and the 20 per cent of the value of the salaries that it gets to keep, Treasury might acquire other people who better suit the needs of the agency going forward.

**Dr M.D. NAHAN:** I understand that the government went to every department and said it needed a 20 per cent reduction in the SES. The government had a 20 per cent overall global estimate. The government went to Treasury and had to pay those people to leave. The SES people had to have payouts, unless they chose to leave without a payout.

**Mr M. McGOWAN:** Not necessarily.

**Dr M.D. NAHAN:** There would not be too many of those. In this instance the government achieved efficiencies of about \$4 million, but then spent another \$5.5 million in the same agency. That \$4 million came at a cost. So why would the government exit people from the SES and Treasury, which is undermanned, and then backfill with additional money in the program? It seems that government should have started the reform agenda before people left so it did not have to pay them to leave.

**Mr M. McGOWAN:** I will explain as clearly as I can. There are two things: the voluntary targeted separation scheme and the 20 per cent reduction in the SES. We do not necessarily pay people out when they leave the SES; sometimes they have a fixed-term contract or something of that nature that expires and they leave. Sometimes people retire and are not replaced, and we also had a process for ensuring people left with some financial recompense. I will repeat as straightforwardly as I can what I said before. Sometimes the agency might want people to move on and they might leave as part of that process, and then via the additional support provided to Treasury, it is able to employ people it wants going forward. The Under Treasurer, Michael Barnes, has said to me at meetings that over the course of the last 10 years or so, although other agencies' budgets have grown very significantly over that time, Treasury's, essentially, has stood still and it has not been given some of the support it might need. I think the Langoulant report suggested the same thing. We have allowed Treasury to participate in reducing the SES—people have left who perhaps might have other roles to perform in other organisations—while employing people it might need and want for its long-term future.

**Dr M.D. NAHAN:** According to the budget papers, the government has made \$4.5 million worth of savings in Treasury from the reduction of the senior executive service. That came at some cost. Now the government is putting an extra \$5.5 million into an agency that the Langoulant report, which the government is responding to, identified as understaffed to begin with. I put to the Premier that the targeted SES reduction was not a choice but an overall policy, and it impacted Treasury significantly. It was overstaffed and the government had to pay them to leave. Is this not just a case of the government pursuing a policy of exiting people from agencies it cannot afford, and now it will have to backfill with funding of \$5.5 million?

**Mr M. McGOWAN:** No, I do not agree with that. I will comment, and then ask Mr Foster to comment. The agency was most happy with the voluntary targeted separation scheme and the SES reduction was Treasury. It was very pleased.

**Dr M.D. NAHAN:** Really?

**Mr M. McGOWAN:** Obviously, we have had to make savings to ensure that the state's financial future is sound and —

**Dr M.D. NAHAN:** The Premier said it was undermanned and had been systematically starved of funds.

**Mr M. McGOWAN:** The Leader of the Opposition is not listening to my answer.

**Dr M.D. NAHAN:** I am.

**Mr M. McGOWAN:** My answer is that going forward Treasury will be able to employ the sorts of people it wants. The Leader of the Opposition knows these processes were targeted. Agencies might have used these processes to change their agency up or create vacancies in areas where they might want to; those sorts of things. It is not a pleasant process and we would love to keep everyone there, but we have to live within our means. We have managed to streamline the SES, which had grown out of control; I recall it grew by 40 per cent under the term of the previous government. The rest of the public sector appreciates that. The VTSS is allowing agencies and people to work out who wants to leave, and agencies to determine the positions they do not need to refill. With Treasury particularly we managed to give it some money to allow it to have the analytical and other capabilities it wants going forward. I will ask Mr Foster to comment.

**Mr D. Foster:** The two component parts of the reform program that have been funded in the budget, as the Leader of the Opposition correctly identified, is \$4.4 million for Premier and Cabinet and nearly \$1.6 million for Treasury. That was for a range of initiatives identified in the service priority review and the Langouant review. The reductions in the SES and as a result of the VTSS are obligations that central agencies, like all agencies, have. Both Treasury and DPC have met their obligations. There is an added expectation, I guess, for central agencies to lead by example. We have met collectively our obligations in reducing the senior executive service. That has allowed us to employ people in different positions at lower levels. Akin to the workforce renewal program that the previous government implemented, as people exit, people can be recruited at lower levels, as I have done in Premier and Cabinet, which removes layers of executive positions. Treasury, like DPC, has targeted and recruited people with the particular skill sets needed for the reform program. They are at different levels and have different skillsets to those who exited, so it is not like for like.

**Mr Z.R.F. KIRKUP:** I refer to page 64 of budget paper No 2 in relation to cost of services, expenses and accommodation.

**Mr M. McGOWAN:** Do you just want me to talk about the vibe?

**Mr Z.R.F. KIRKUP:** No, not the vibe. I am making sure the Premier has the page.

**Mr M. McGOWAN:** I can talk about the vibe if you like.

**Mr Z.R.F. KIRKUP:** I am sure the Premier could talk about the vibe. I am keen to understand the final costs of relocating the Premier's office to Dumas House. Can I have a breakdown of the fit-out costs, what they are and the total value of those costs, if we can?

[3.00 pm]

**Mr M. McGOWAN:** I will put a bit of background around this. When I got to the office of Premier, which is a very, very privileged position, I found the Hale House office to be very isolated from other ministers and other parts of government. It was one of those things that a lot of people had commented on to me before—that it was a symbol of the fact that the Premier was isolated from his or her ministers. I found in that office that that was a correct analysis. It was very isolating and it meant that if I wanted to see a minister or a public servant, it was very problematic to see and work with anyone. I therefore took the advice that the government had given the former Premier back in 2010, which he declined to accept; namely, to go into Dumas House. I realised that—the last government having spent nearly \$30 million on that office complex—to move into Dumas House, I did not want to spend any more money, so I came up with a way of doing it by which a large part of the Public Sector Commission would move to Hale House and I would move to the fifth floor of Dumas House and share a floor with the Attorney General. From memory, the savings are around \$1.7 million over four years from doing that, essentially, because the Attorney General's rent in the city, which was \$600 000 a year or thereabouts, was no longer to be paid. It worked out for everyone. I would be interested in the Leader of the Opposition's comments on whether he would move back into Hale House should he become Premier, or keep the arrangement I put in place for the future. Obviously, the new office—journalists and other people have been there—is nowhere near as salubrious or luxurious as the Hale House office, but I think that is probably appropriate for the Premier. The saving is around \$1.7 million over four years. We managed to achieve that because the Attorney General has come there with me. To the best of my knowledge, I have not upgraded furniture or anything of that nature. There might have been some networking for computers and what have you; I am not sure about that. There might have been a bit of that. There were obviously some removal costs. I think I and my staff carried most of the boxes across. It is the right message and it is the right way for government to work. If members opposite want to keep pursuing this, they can, but I will keep reminding people that the last Liberal–National government spent nearly \$30 million on the Premier's office. Personally, I think that was a big waste.

**Mr Z.R.F. KIRKUP:** Is the Premier saying there are no fit-out costs attached to his moving to the fifth floor?

**Mr M. McGOWAN:** There were some fit-out costs.

**Mr Z.R.F. KIRKUP:** Beyond network cabling?

**Mr M. McGOWAN:** We had to fit out the Attorney General's new office. Obviously, there was not an office there for the Attorney General. The total cost of the fit-out for the office of the Attorney General and my office was \$818 000.

**Mr Z.R.F. KIRKUP:** So, Premier, \$818 000?

**Mr M. McGOWAN:** Yes, \$818 000. The rent for his office was \$650 000, or something, a year in the city. Sorry, the lease savings are \$822 000 per annum. The saving —

**Mr Z.R.F. KIRKUP:** You have explained that; I appreciate that.

**Mr M. McGOWAN:** I will explain it again.

**Mr Z.R.F. KIRKUP:** Supplementary.

**Mr M. McGOWAN:** I will explain it again. The saving in one year is greater than the cost of the fit out. There you go.

**Mr Z.R.F. KIRKUP:** In that case, just to clarify; you previously said there were no associated costs for the fit-out and now there are \$818 000 in fit-out costs. Did that go out to tender? I think the tender guidelines say that something over half a million dollars has to go out to tender. I could be wrong. Did that go out to tender; if so, on what date?

**Mr M. McGOWAN:** We do not know the answer to that question. That is a Department of Finance matter. The member might want to ask the Minister for Finance, but I will repeat. The lease saving per annum for the Attorney General to move —

**Mr Z.R.F. KIRKUP:** I appreciate that.

**Mr M. McGOWAN:** I am going to say it.

**Mr Z.R.F. KIRKUP:** We have heard it three times so far; this is not what we are asking.

**The CHAIR:** Member for Dawesville, the Premier is answering your question.

**Mr M. McGOWAN:** I am sure one of my colleagues will ask me the question in a moment, but I want to repeat that the lease saving per annum is \$822 000.

**Dr M.D. NAHAN:** That has nothing to do with you.

**Mr M. McGOWAN:** The only way it could work was for he and I to occupy the same floor.

**Dr M.D. NAHAN:** How was the cost for the Premier's move?

**The CHAIR:** The Leader of the Opposition can ask a question in a moment.

**Mr M. McGOWAN:** The Liberal Party spent \$30 million on the new Premier's office—\$30 million.

**Dr M.D. NAHAN:** And you are still using it.

**Mr M. McGOWAN:** I have moved into much more basic accommodation and saved taxpayers nearly \$2 million over four years, if the Leader of the Opposition wants to criticise that, feel free.

**Mr Z.R.F. KIRKUP:** Supplementary.

**The CHAIR:** No; it is not a supplementary, it is a further question.

**Mr Z.R.F. KIRKUP:** Further question. I appreciate your guidance there Chair, in that case.

**The CHAIR:** I am sure you do.

**Mr Z.R.F. KIRKUP:** Is it true the Premier has received some complaints or has levelled some complaints about noise in the office and someone has been engaged to look at the acoustics within the office?

**Mr M. McGOWAN:** I have no knowledge of that. The member should stop listening to his sources and stop communicating information to journalists.

**The CHAIR:** Further question, member for Dawesville; we are still on this first division.

**Mr Z.R.F. KIRKUP:** Absolutely, thank you very much, while we take up 40 minutes of dorothy dixers from the other side, Chair. That is why we are here.

Can I get an understanding of the breakdown in relation to the Premier's expenditure in his new office?

**Mr M. McGOWAN:** As I understand it, very little has been done.

**Mr Z.R.F. KIRKUP:** He said network cabling, but that does not cost \$818 000.

**Mr M. McGOWAN:** No; I said construction work for the Attorney General.

**Mr Z.R.F. KIRKUP:** And nothing for the Premier?

**Mr M. McGOWAN:** Some tables and chairs and the like have been purchased at a total of \$28 000.

**Ms M.J. DAVIES:** I refer to research assistance to minor parties in the Legislative Council under “Spending Changes” on page 57. Can the Premier advise which minor parties are included? How many staff does that include and who initiated the conversation; was it government or was it the minor parties?

**Mr M. McGOWAN:** Cabinet agreed to provide additional staffing resources to members of the minor parties in the Legislative Council. The minor parties made representation to the government. They approached the Leader of the Government in the upper house and they approached me requesting additional support. We agreed to the additional support. The additional support for the Greens is two full-time employees; for the One Nation Party, two full-time employees; for the Shooters, Fishers and Farmers, one full-time employee; and for the Liberal Democrats, one full-time employee. It is a total of six additional staff.

**Ms M.J. DAVIES:** Was anything attached to the provision of that funding? Were any conditions attached?

**Mr M. McGOWAN:** There was absolutely nothing. I think it is fair to say that some of the minor parties would like more assistance—not all but some—but the government has declined to provide that. We think that what has been provided is more than fair and more than reasonable.

**Ms M.J. DAVIES:** Very generous, Premier.

**Mr M. McGOWAN:** There are no strings attached and there is no additional assistance. There was no quid pro quo or anything of that nature. The government was very, very careful about that.

**Mr D.T. PUNCH:** I was going to ask about the substantial savings on the Premier’s office relocation but the member for Dawesville beat me to that.

I refer the Premier to emergency policy management at the final dot point under “Government Policy Management” on page 62. What is being done to strengthen oversight of the state’s preparedness for and management of state security threats and emergency risks?

**Mr M. McGOWAN:** This is a very important issue and thank you for the question. We recently decided to establish a new government cabinet security committee comprising me, the Deputy Premier, the Attorney General, the ministers responsible for police, emergency services, health, citizenship and multicultural interests, innovation and information and communications technology. The purpose of this cabinet subcommittee is to receive briefings on security threats and emergency risks and to consider security and emergency-related legislation and policy proposals, including issues such as cyber security, the outcome of Council of Australian Governments meetings and national critical infrastructure security developments. The committee will meet once every six months on average, but will be available to be activated at my discretion should circumstances determine. We need to prepare for the worst. We recently passed our so-called shoot-to-kill laws for terrorism-related incidents through this house. Hopefully, they will soon pass through the upper house. We have to be vigilant to the threats that are out there. Some things I have heard at the national level at Council of Australian Governments meetings about threats to the eastern states are very disturbing. I want to make sure that Western Australia is as prepared as possible for the modern world that we live in, where people are radicalised and there is the potential for terrorist acts.

There will be exercises for security and police services to prepare for these sorts of things. We have provided the legislative tool, which is the shoot-to-kill capability for our police were there to be a Lindt cafe-style incident in Western Australia. We have to be vigilant about the threats. All these things are going on and this cabinet security committee, which is made up of those ministers, will monitor all these things and make sure, as far as we possibly can, that the state is prepared for the worst that might come to Western Australia. I have said before that I think the main threats to Australia are in Melbourne and Sydney, but you can never be too careful. We know that Man Monis himself lived in Perth for a period and in the 1980s and 1990s there were some security incidents that could have been quite disastrous. We want to make sure that, as best we can, Western Australia is prepared for the worst that could come to our state at any time.

[3.10 pm]

**Mr Z.R.F. KIRKUP:** I refer to employee benefits on page 64. I am keen to understand, if the Premier feels so obliged, whether we can be provided with a breakdown of compensation and termination payouts and the like for any staff within the department or ministerial officers who have been terminated since Labor came to government—what that quantum is, how many staff and what their positions were.

**Mr M. McGOWAN:** Ministerial officers?

**Mr Z.R.F. KIRKUP:** The government inherited some permanent public servants who were moved out of the Department of the Premier and Cabinet, for example, and shifted aside as well, so yes, ministerial officers, as well as the department more broadly.

**Mr M. McGOWAN:** After the state election a huge amount of payouts were made to a range of people. I would be happy to provide the member with those. By way of supplementary information, I agree to provide a full list of the payouts since the state election until now, and the amounts of money. Some of the amounts of money are really quite extraordinary.

**Mr Z.R.F. KIRKUP:** I think the Premier provided that to us last year.

**Mr M. McGOWAN:** I am happy to provide it again. I like to be fully accountable.

[*Supplementary Information No A7.*]

**Mr Z.R.F. KIRKUP:** Will that include DPC employees as well?

**Mr M. McGOWAN:** No, that is ministerial officers.

**Mr Z.R.F. KIRKUP:** The Premier did not clarify that when he put that —

**Mr M. McGOWAN:** That is a whole different matter. The member asked about ministerial officers.

**Mr Z.R.F. KIRKUP:** I asked about DPC. Unless there is a concern about understanding what I said, it was about DPC.

**Mr M. McGOWAN:** Ministerial staff are in DPC's budget. That is where ministerial staff come from. More broadly, the figure for anyone in government—whoever left and whatever payout they got—at this point in time is 2 200 people. I am not prepared to provide their details and what they got. I think that would be a significant privacy issue. As was the case last year, I will provide the information about ministerial staff from the 2017 election onwards.

**Mr Z.R.F. KIRKUP:** Can I get an understanding of whether the Premier would agree to do the same for corporate executives within DPC who were no longer employed as of 13 March? When the Premier came into the department —

**Mr M. McGOWAN:** If the member puts a question on notice, I will address it that way.

**Mr Z.R.F. KIRKUP:** Is the Premier happy to do it for ministerial officers but not for the corporate executive of the Department of the Premier and Cabinet?

**Mr M. McGOWAN:** Put a question on notice.

**Mr Z.R.F. KIRKUP:** Does the Premier not have that information to hand?

**Mr M. McGOWAN:** I answered the member's question.

**Mr Z.R.F. KIRKUP:** The Premier has not answered my question at all.

Can I get an understanding whether the information the Premier has said he will provide through supplementary information will also include payouts to former chiefs of staff, such as the former chief of staff to the Deputy Premier?

**Mr M. McGOWAN:** I have said it will be ministerial staff since the state election.

**Ms M.J. DAVIES:** I refer to the seventh dot point on page 58. It refers to a number of committees and includes the rolling out of the methamphetamine action plan. Does the Methamphetamine Action Plan Taskforce sit under the Department of the Premier and Cabinet?

**Mr M. McGOWAN:** It does. It sits under the DPC.

**Ms M.J. DAVIES:** The task force does?

**Mr M. McGOWAN:** Yes.

**Ms M.J. DAVIES:** Can the Premier tell me how often the task force has met, what type of consultation it is conducting, what its interactions with the community have been, and whether any regional visits have been undertaken as part of the targeted consultations mentioned on the website?

**Mr M. McGOWAN:** I think it has done a fair bit. Ron Alexander has been working hard on it and it has been around Western Australia. We established the Methamphetamine Action Plan Taskforce to provide advice to government on what else we can do. We have done a lot of things and I have answered questions on this before. The task force has listened to and spoken to over 330 individuals in metropolitan and regional areas, including Exmouth, Kalgoorlie–Boulder, Geraldton and Bunbury. It has done fairly extensive consultation. It has consulted individuals who have a long experience of drug use, those whose families and friends have been affected by drug use, workplace representatives, Aboriginal and South Sudanese community members, as well as service providers and peak organisations. The online survey was open between 15 January and 16 March to enable members of the public to provide their views and experiences to the task force. A total of 146 responses were received from users and ex-users of methamphetamine, families, frontline workers and service providers. That is pretty good.

**Ms M.J. DAVIES:** How often has the task force formally met? Is it a regular occurrence?

**Mr M. McGOWAN:** I do not know the answer to the question, but I think it has been doing a lot. I would not accuse its members of slacking. I know that Ron Alexander has been very engaged. Right now, he is in the Kimberley and Pilbara area with the meth task force. The insertion of methamphetamine into Aboriginal communities is very concerning. Consulting with those communities is obviously very important.

**Ms M.J. DAVIES:** I think the task force was established in June 2017. Is there a date the Premier is expecting it to report by or is this a rolling task force that will continue?

**Mr M. McGOWAN:** We are expecting a report mid this year. The government will consider the report at that time and decide what to do. The issue is not a secret. It is not as though we do not know it is out there. It is a matter of trying to work out innovative ways of dealing with it. We already have a range of responses, but addiction is addiction. Getting people off drugs is hard because they are addicted. If it were easy, it would have been solved by now.

[3.20 pm]

**Ms M.J. DAVIES:** Is there a line item somewhere in the budget that relates to the cost of running the task force—the cost associated with the task force members and allocating funds? They are travelling, so that does not come cheap.

**Mr M. McGOWAN:** I will ask Mr Foster to comment.

**Mr D. Foster:** We are absorbing the costs of running the task force internally within DPC.

**Mr M. McGOWAN:** I do not think it is that expensive but I think Mr Alexander left his job at the Department of Sport and Recreation, and this was one of his major tasks. Obviously, it is a good task for someone to throw themselves into because coming up with some innovative ideas is important for the future of the state. If the cost is met with existing resources, that is good. I suspect that it is fairly minor compared with the issue itself that the state is confronting. I could not tell members the number of times I have walked through a shopping centre and been absolutely positive that I have seen people on methamphetamine given the behaviours going on, both in my electorate and in other electorates around the state. I have talked to police officers in regional Western Australia a number of times, who tell me shocking stories about the things they see out there. Dealing with that is very important for the future of the state. I repeat that there are no real answers. Western Australia and, I think, South Australia have the worst rates of methamphetamine use in the country. It has been an ongoing problem for a long period.

**Mr Z.R.F. KIRKUP:** I refer the Premier to “Administration of Executive Government Services” on page 61 and the list of services that the department provides. I am keen to understand whether the department provides the Premier with advice on prospective ministerial staff and whether that advice also includes staff who should not be able to join the ranks of ministerial advisers. If so, is that routine advice—to provide the Premier with a veto power for any prospective ministerial staff?

**Mr M. McGOWAN:** I am advised that the department does police checks on ministerial staff. All the ministerial staff work for the Premier, so they are answerable to the Premier. I personally do not know the names of all the ministerial staff—there are 200 or so; I probably would not know the majority of them. Obviously, I do not think some people would be appropriate to work in ministerial offices. That is the prerogative of the Premier. I know that the former Premier had a view about a few people as well.

**Mr Z.R.F. KIRKUP:** Is that departmental policy or is it simply the Premier’s own choice?

**Mr M. McGOWAN:** They work for the Premier.

**Mr Z.R.F. KIRKUP:** I understand that. I just want to know whether it is departmental policy.

**Mr M. McGOWAN:** We largely trust people’s judgement as to who they want to employ and the sort of staff they want. We get a wide mix of people from a wide range of backgrounds. Some of them, like the member for Dawesville, have political leanings. Others are from a public sector background. Others may have come from the private sector and have administration experience. We get a wide range of people, but the Premier has the final say and that has always been the way.

**Mr Z.R.F. KIRKUP:** Has the Premier actively vetoed a number of staff—many staff? Is there a figure?

**Mr M. McGOWAN:** No.

**Mr Z.R.F. KIRKUP:** The Premier has not vetoed a single one?

**Mr M. McGOWAN:** The member asked me whether I had actively vetoed many staff, and the answer is no, I have not actively vetoed many staff.

**Mr Z.R.F. KIRKUP:** Has the Premier vetoed any staff?

**Mr M. McGOWAN:** I have views about people and sometimes I express those views but it is not something I am going to speculate upon here. Obviously, some people might have close contacts with members of the Liberal Party, like the member for Dawesville, and we might think they are not appropriate to work in a minister’s office because they might liaise with the member on occasion.

**Mr Z.R.F. KIRKUP:** Ministers have obviously recommended people to the Premier. Has the Premier overridden that minister? Is that what the Premier is saying?

**Mr M. McGOWAN:** That is not what I said. I said that I have knowledge of some people who might communicate with the member and provide him with information.

**Mr Z.R.F. KIRKUP:** Are you using me specifically or just generally speaking?

**The CHAIR:** Member for Dawesville, through me.

**Mr M. McGOWAN:** The member can answer the question. I have acknowledged that some people might communicate with the member for Dawesville and he might give that information to journalists, so therefore those people might not be appropriate to work in government. That is a decision for the Premier of the day.

**Mr Z.R.F. KIRKUP:** Is the Premier worried about leaks within his own government?

**Mr M. McGOWAN:** Not particularly. I think the cabinet has been extraordinarily good at maintaining the processes of cabinet. Obviously, there have been a couple of issues. There are always issues within any government of any persuasion at any point in time. I think the cabinet itself has been absolutely fantastic in understanding the role of cabinet.

**The appropriation was recommended.**

**Division 4: Public Sector Commission, \$24 423 000 —**

Ms S.E. Winton, Chair.

Mr M. McGowan, Premier.

Mr L. Warner, Acting Public Sector Commissioner.

Mr D. Volaric, Deputy Commissioner.

Ms K. Rosario, Acting Director of Equal Opportunity in Public Employment.

Mr A. Barrett, Acting Executive Director, Strategy Policy and Reform.

Ms A. Alderson, Chief Finance Officer.

[Witnesses introduced.]

**The CHAIR:** Leader of the Opposition.

**Dr M.D. NAHAN:** I would like to go through a question again relating to one I asked previously. From 2016–17 to 2018–19, the number of full-time equivalents in the Public Sector Commission has increased by about 25. That is almost unique; nonetheless, it is substantial. At the time there was a reduction in the vicinity of \$3.4 million in the budget of the senior executive service. Is the Premier taking people out as a policy of reducing SES numbers and then backfilling? In other words, have any of the positions in the Public Sector Commission that have been vacated and for which someone received redundancy been filled again?

**Mr M. McGOWAN:** I will just comment generally and then ask Mr Warner to provide more specific information. The Public Sector Commission is also bound by the government's policies on the SES and also the voluntary targeted separation scheme. These are unfortunate things that the government has to do to work on repairing the financial situation we were left with. Therefore, we have implemented that at the Public Sector Commission. The Leader of the Opposition will recall the arrangement with the voluntary targeted separation scheme, which is that the agency can keep 20 per cent of the proceeds that are saved by that process to employ new people. Obviously, there is an incentive to deliver. It gets only 20 per cent of what was there before but it gets to employ the people who might meet its needs into the future. That is why that policy was put in place. I will ask Mr Warner to comment further.

[3.30 pm]

**Mr L. Warner:** I think there are two parts to the question. Without knowing specifically the point the member is making, the first is that the increase in FTEs is largely the result of a change in the methodology of reporting FTEs. In the previous year, they used an actual figure but under current arrangements we are looking at an average FTE. The other point, as the Premier stated, is the commitment by the Public Sector Commission to reduce its SES consistent with the policy position of the government.

**Dr M.D. NAHAN:** Have any positions in which the previous occupant received a redundancy been filled by somebody else? Have any positions in the Public Sector Commission from which someone exited with a voluntary redundancy subsequently been filled by a new person?

**Mr M. McGOWAN:** What page of the budget?

**Mr Z.R.F. KIRKUP:** It is on page 70.

**Mr M. McGOWAN:** I am not aware of —

**Dr M.D. NAHAN:** I refer to the spending changes on page 70. Under the heading "Election Commitment", there is an increase of \$3.375 million over five years for the line item "Senior Executive Service Reduction". There is a voluntary targeted exit program for the SES. Have some of the positions in the SES that were vacated with a payment of voluntary redundancy been filled by someone new—have they been backfilled?

**Mr M. McGOWAN:** I will let Mr Warner comment on the questions asked by the Leader of the Opposition.

**Mr L. Warner:** There have been no substantive appointments to any positions that have been subject to SES reductions.

**Dr M.D. NAHAN:** Is the Public Sector Commissioner in charge of the senior executive service reduction program more generally across the public sector or is it the responsibility of the Department of the Premier and Cabinet?

**Mr L. Warner:** The Public Sector Commissioner and the commission has responsibility for managing the implementation of that policy position across the public sector more broadly.

**Dr M.D. NAHAN:** The question applies not only to the Public Sector Commission, but also across government. Have the positions of people who left their substantive position with a redundancy payout as part of the senior executive service reduction program been filled subsequently by somebody new?

**Mr L. Warner:** We do not have that level of detail available to us at the moment. The expectation is that agencies and directors general will manage their SES reduction locally in accordance with the policy framework.

**Dr M.D. NAHAN:** Since the Public Sector Commission has carriage of this responsibility, perhaps it can provide me with the data as supplementary data.

**Mr M. McGOWAN:** I think it is a very broad question. We obviously have the machinery-of-government changes to create fewer agencies, which I think most people would think is a wise thing to do because it will create better structures and remove some of the silos within government. There might be issues at various points in time, but the principle and the arrangements we put in place are relatively conservative and achievable and the benefits are there to be seen. In addition, we have the voluntary targeted separation scheme, which 2 200 people will have taken up by the end of the year. The reduction in the SES amounts to 104 positions or so across government. At any given point in time, an agency may use the 20 per cent saving to employ someone new or create a new position because the machinery-of-government changes mean that people might be working across agencies. It is a very big field, to be honest, with that number of people. There is no specific answer to the question posed by the Leader of the Opposition. It might be that under the voluntary targeted separation scheme there was a person whom the agency was very keen to see leave and it filled that person's position, and obviously the reasons for that are sometimes pretty clear. Those things occur in any big organisation at any given time.

**Dr M.D. NAHAN:** There are 104 people, which is not a large number of people. I assume that there would not be too many instances of this, so the government is not dealing with a large number. I did not ask whether or not it is appropriate. Has an FTE position that was vacated with a redundancy been backfilled subsequently by a new person? The program is administered by the Public Sector Commission so it should have access to the data. It should not be a hard thing to do.

**Mr M. McGOWAN:** The SES reduction involves 104 people because there was a growth of 40 per cent in the SES under the last government —

**Dr M.D. NAHAN:** That is not relevant. The question is —

**Mr M. McGOWAN:** I can show the Leader of the Opposition the figures if he wants —

**Dr M.D. NAHAN:** The question is —

**The CHAIR:** Leader of the Opposition, the Premier is trying to answer.

**Mr M. McGOWAN:** There was a growth of 40 per cent in the senior executive service under the last government. We have reduced the size of the SES by, from memory, around 20 per cent; in effect, we have halved the growth. Obviously over the course of the last 10 years, more people came to WA and there were more positions and the like so there should have been some growth. Those positions are gone; it is a significant reduction. When it comes to the voluntary targeted separation scheme, which involves 2 200 people at this point, and will grow to 3 000 in the future, obviously the agencies were given a 20 per cent bonus or 20 per cent of the savings back. They may have filled the positions that were vacated with someone who, on paper, performs the same role. Perhaps the person who is filling the old position has skills that the person who left did not and, therefore, the agency has employed the person with new skills, new abilities and a new attitude—whatever it might be.

**Dr M.D. NAHAN:** There might be a whole range of reasons for doing that—I am not questioning that. I am asking for the data to determine whether the department has subsequently chosen to employ someone new to fill a position that was done away with. The same thing applies with the voluntary targeted separation scheme. There might be a rationale for it. The government has the data. It is not a large number of people. Has there been a case in which an FTE has been paid out and their position has been backfilled subsequently? It should not be hard to do. When we were in government, we definitely had that data.

**Mr M. McGOWAN:** I do not know whether that is the case, and I do not want to commit to giving supplementary information when I do not know whether I can answer the question.

**Dr M.D. NAHAN:** The Premier can.

**Mr M. McGOWAN:** The Leader of the Opposition says that I can but I am not sure that I can. Let us imagine that a level 4 in an agency left the agency under the VTSS and the agency has now backfilled and put someone in that position. The responsibilities might be different but the person might have different skills. They might be working in a machinery-of-government agency that has a range of different responsibilities. I do not quite know how to answer the Leader of the Opposition's question with any degree of real sensibility or comparability.

[3.40 pm]

**Dr M.D. NAHAN:** Yes, especially on the senior executive. The Premier has said that all those positions have been done away with. Is that the case? Have all 20 per cent—the 104 positions that people have vacated—of those positions gone?

**Mr M. McGOWAN:** There are 104 fewer people in the senior executive service.

**Dr M.D. NAHAN:** Are the positions gone?

**Mr M. McGOWAN:** Agencies will work out the requirements. Just so the Leader of the Opposition understands, this is a saving of \$26 million a year.

**Dr M.D. NAHAN:** Good.

**Mr M. McGOWAN:** It is a saving of \$26 million a year, so we had to pay some people out in order to achieve that saving.

**Dr M.D. NAHAN:** Yes.

**Mr M. McGOWAN:** But 104 positions are now gone, so there is a significant saving.

**Dr M.D. NAHAN:** My point is that some of them might have come back. That is the point I am trying to explore.

**Mr M. McGOWAN:** As far as I am aware, no-one has come back.

**Dr M.D. NAHAN:** I know the government has paid money out and 104 people are gone. I am trying to find out whether those positions were backfilled.

**Mr M. McGOWAN:** It is a net reduction in positions, so by definition there is a reduction in the SES of 20 per cent or 25 per cent. It has never been done before. But we had to do it because of the financial position we were left with. I mean, \$26 million a year is a lot. That is the saving.

**Dr M.D. NAHAN:** The Premier is not going to provide the data on whether the positions from the senior executive service reductions or the voluntary targeted separation scheme, which people received a redundancy payment from, have been backfilled by somebody anew?

**Mr M. McGOWAN:** I have explained to the Leader of the Opposition why I do not think his question is intelligible or that I can communicate it and provide a reasonable answer to him. I am not going to agree to supplementary information when I cannot provide a reasonable answer.

**Dr M.D. NAHAN:** Okay.

**Mr M. McGOWAN:** If the Leader of the Opposition wants to put some questions on notice, I will do my best. But supplementary means that I have to provide whatever information and I cannot define the question the Leader of the Opposition is asking me. There has been a reduction of 104 positions in the senior executive service. That means a huge reduction of senior bureaucrats across government. It has never been done before, with \$26 million a year saved. The voluntary targeted separation scheme has made huge savings across government as well.

**Mr Z.R.F. KIRKUP:** I refer to the significant issues impacting the agency outlined on page 70 and the reform program that is being undertaken. I am keen to understand a number of positions that have been removed—director general and executive director-type positions—and how that relates to the reform program, if I can. We will just first of all understand the basis on which Gwyn Dolphin was removed. Given a new position of managing director of tourism has been advertised, why was Gwyn Dolphin removed? Is it part of the reform program?

**Mr M. McGOWAN:** Is this the bottom of page 70?

**Mr Z.R.F. KIRKUP:** I am trying to understand whether that is part of the reform program; is it a larger machinery-of-government change?

**Mr M. McGOWAN:** Mr Dolphin elected to take a section 59 departure program, so he exited the agency last year. He was not appointed as head of the new agency and changes were made. That happens in government.

**Mr Z.R.F. KIRKUP:** Do we have an understanding of the total breakdown of costs associated with the termination and then the recruitment process that has been initiated to try to find a new managing director of Tourism WA?

**Mr M. McGOWAN:** Can you repeat the question?

**Mr Z.R.F. KIRKUP:** Do we have an understanding of the breakdown of costs associated with the termination of Gwyn Dolphin and then also the recruitment costs and remuneration that is expected for the new managing director of Tourism?

**Mr M. McGOWAN:** All that information was released last year.

**Mr Z.R.F. KIRKUP:** The Premier seems to have a process, though, of providing information from last year; I want to make sure that we get it all wrapped up here.

**Mr M. McGOWAN:** I think I answered questions in relation to this. I will see whether I have that information. When we recruit people, there is advertising and the like; I do not know what the cost of that is. I am not sure whether we will have that level of granular detail here today.

**Mr Z.R.F. KIRKUP:** Could the Premier provide that through supplementary information?

**Mr M. McGOWAN:** The member could put a question on notice, if he likes. We do not know the total cost, because the process is not complete. I cannot answer that question accurately.

**Mr Z.R.F. KIRKUP:** You will not provide it through supplementary?

**The CHAIR:** Member for Dawesville, through me, please.

**Mr Z.R.F. KIRKUP:** Sure, Chair.

**Mr M. McGOWAN:** We are ensuring that there is senior representation for tourism inside the Department of Jobs, Tourism, Science and Innovation. That was not going to happen before, but it is occurring now.

**Mr Z.R.F. KIRKUP:** As part of what the Premier says is a senior position, do we understand what the remuneration is expected to be for that position?

**Mr M. McGOWAN:** I will ask Mr Volaric to answer that question.

**Mr D. Volaric:** The general manager has been advertised as a class 3, which is approximately \$180 000; however, we have proposed it be included in the jurisdiction of the Salaries and Allowances Tribunal and it has yet to determine a remuneration.

**Mr M. McGOWAN:** I want to have someone with the most modern skills in tourism management and marketing, I want to ensure that that person is completely up to date in what occurs elsewhere and how successful tourism agencies work, and I want to make sure that they are a part of a broader agency that has impacts on tourism. We all know tourism is not a standalone industry; it interacts with all sorts of other industries, whether it is hospitality, food, transport or whatever it might be—it interacts with everything else. That is why it is part of this bigger, broader, stronger agency that the government established in May last year. Tourism will be very senior in that agency, I might add. That is what the industry has been asking for and that is why we made the changes that we have.

**Dr M.D. NAHAN:** It is class 3, about \$180 000 and Gwyn Dolphin was substantially higher than that, I take it?

**Mr D. Volaric:** Yes.

**Dr M.D. NAHAN:** Does the Premier expect to get a person who is as up to date with modern trends in tourism as Gwyn Dolphin was to fill the position?

**Mr M. McGOWAN:** I expect we will get a first-rate person. I do not want to go into personalities or things I hear around the place, but I expect that the tourism industry, which employs 90 000 to 100 000 Western Australians, is happy with what we are doing.

**Mr Z.R.F. KIRKUP:** I have a further question, not on Gwyn Dolphin, but on the same dot point. I am keen to understand the basis on which Stephen Wood was removed as well.

**Mr M. McGOWAN:** I just outlined that. We wanted to change up tourism within the agency and that was not happening, so we took some action.

**Mr Z.R.F. KIRKUP:** Was there a range of key performance indicators that were not being met?

**Mr M. McGOWAN:** I am not understanding the question. Whereabouts are we here?

**Mr Z.R.F. KIRKUP:** We are on the same dot point as before. On the removal of Stephen Wood, I do not want to verbal the Premier, but I think he implied that he was not happy with the performance of Mr Wood. I am keen to understand: was that benchmarked against any key performance indicators; and, if that was the case, what KPIs were not being met?

**Mr M. McGOWAN:** The government's wishes in ensuring that tourism was promoted within the agency were not being met.

**Mr Z.R.F. KIRKUP:** The government's wishes?

**Mr M. McGOWAN:** The government's wishes in promoting tourism and creating senior positions or a position in tourism in particular were not being met and were actively being opposed. A range of ministers had concerns; therefore, some action was taken.

**Mr Z.R.F. KIRKUP:** Is it a regular process that when a public servant provides the Premier with fearless and frank advice, the Premier removes them if he is not happy with the advice that he is getting?

**Mr M. McGOWAN:** It was about ensuring that tourism was given priority, and it was not. Therefore, action had to be taken.

**Mr Z.R.F. KIRKUP:** Can we understand the process by which we are trying to find his replacement, and where the Public Sector Commission is at in that place?

**Mr M. McGOWAN:** I will hand over to Mr Warner.

**Mr L. Warner:** The director general of the department has been advertised and recruitment action is underway. A normal process is occurring and a panel has been established. I understand that it will move to shortlisting very soon, the normal process will occur and a recommendation will be taken.

**Mr Z.R.F. KIRKUP:** I appreciate that. I am trying to understand the time line. I understand the process but not the time line by which that is expected to land.

**Mr M. McGOWAN:** I will ask Mr Warner to answer that question. Obviously, at the moment Mr Richard Sellers is there, who has some considerable experience in the area. But we are going through a recruitment process. I will ask Mr Warner to comment on that.

[3.50 pm]

**Mr L. Warner:** We are hopeful that the recruitment process will be done fairly quickly. Some of that is somewhat dependent upon the capability of the candidates and the availability of the candidates to take up the position from a certain date. We hope that occurs in the next few months. It is not unreasonable to expect roles of this nature to take three to four months or more from the moment we go to the market to having someone in the chair.

**Mr Z.R.F. KIRKUP:** I imagine that as part of that, the commission would look strongly at any potential candidate's tertiary qualifications. Would that be the case?

**Mr M. McGOWAN:** Obviously this is an important position. It straddles a whole range of areas. Some people have said that it is too big for one person. I do not accept that. Lots of people have big jobs. I am hoping that there will be a lot of interest. I am hoping that a lot of people will put forward their application and we will be able to select from a wide range of people. There is a selection panel. I am obviously not involved in that, but I want someone who is communicative, consultative and engaged with government. That is the process we will follow. There might be private sector applicants, public sector applicants or applicants from Canberra. Those sorts of things happen because it is a big, exciting job. That is what we are seeking.

**Mr Z.R.F. KIRKUP:** If it is found that a candidate has misrepresented their qualifications—maybe they said that they have a Masters of Business Administration and it turns out they do not—and the candidate has been recommended and perhaps taken on within the public sector, what recourse would be taken to relook at that candidate? Would that candidate continue to be taken on board for a position such as this if they misrepresented their tertiary qualifications?

**Mr M. McGOWAN:** Do you mean like your online representations that you have been to university?

**Mr Z.R.F. KIRKUP:** Yes.

**Mr M. McGOWAN:** Are you saying that you have a university degree or not?

**Mr Z.R.F. KIRKUP:** Sorry; is the Premier talking about me?

**Mr M. McGOWAN:** Yes, you.

**Mr Z.R.F. KIRKUP:** No, not at all.

**Mr M. McGOWAN:** Okay. I have seen online representations by the member for Dawesville saying that he has been to university, so I am a little confused.

**Mr Z.R.F. KIRKUP:** Sorry. Just to clarify, Madam Chair, I have certainly studied at university.

**The CHAIR:** Can we get back to the question?

**Mr M. McGOWAN:** Some people might interpret the member putting online that he has been to university as his having a degree. Sometimes he might have misrepresented and some people might think that he has misrepresented his qualifications. If I saw him online saying, "I have been to university", I would certainly think that he has a university degree. I assumed that he had completed his university degree, but he obviously has not, so he might want to change the representations he has out there. With regard to the selection process, I am sure that the committee will take into account people's qualifications.

**Dr M.D. NAHAN:** Can the Premier confirm his statement that Mr Wood actively resisted addressing the resourcing for tourism in the department?

**Mr M. McGOWAN:** I wanted a senior position in tourism and Mr Wood did not; therein is the issue. I think my position is quite reasonable. I am the Premier of the state. The agency answers to me. Tourism is important.

I wanted someone in the highest echelons of the agency to be a tourism person. I think my position is entirely reasonable. If senior bureaucrats do not want to follow the advice of the Premier on something like that, I do not think that is quite acceptable.

**Dr M.D. NAHAN:** I refer to “Oversight and Reporting” on page 73. My reading of this is that in the previous budget in 2017–18 the government made substantial reductions in staffing levels and as a result it had a substantial reduction in the percentage of oversight actions completed within target time frames. The target was 90 per cent and it went down to 80 per cent. The second paragraph under “Explanation of Significant Movements” indicates that the timeframes for a response to the Corruption and Crime Commission Act, the Public Interest Disclosure Act, the Equal Opportunity Act and, of course, the Public Sector Management Act were significantly reduced because of the reductions in staffing. Staffing has been increased significantly in 2018–19. Is the Premier confident that the responses made in additional staffing will improve the response rate of the Public Sector Commission in oversight and reporting?

**Mr M. McGOWAN:** I will let Mr Warner comment on that.

**Mr L. Warner:** The staffing changes in that period were as a result of realigning resources to accommodate the machinery-of-government changes and the other reform agenda of the government to ensure that we had that appropriately resourced and to give effect to that significant reform. Those resources are now being reassigned to where they would normally be attached, which is in that area, and we are comfortable that we will get back on track with those time frames.

**Dr M.D. NAHAN:** The issue was that during the machinery-of-government changes, people were reallocated to other functions and now they have come back. That is my interpretation.

**Mr L. Warner:** That is correct.

**Ms M.J. DAVIES:** I refer to page 70 and the reform program that is referred to in the first dot point under “Significant Issues Impacting the Agency”. My question is around whether the Public Sector Commission has been overseeing the move of the nine regional development commissions into the new Department of Primary Industries and Regional Development and whether there is an explanation of the reporting structures within that department, given that there are legislative requirements for the regional development commissions and staff to now report to the director general of the department, so there are some complex reporting structures.

**Mr M. McGOWAN:** I accept that. Essentially, we have the boards of the development commissions, to which the CEO answers, and, below that, the staff of the development commissions. Some have, from memory, nine or 10 staff and others up to 20 staff who are part of the broader department. I think that is good for the staff. It means they are part of a bigger, broader agency and they have capacity for promotion and movement—all those sorts of things that may not have been there before. I understand that is the way it works in other states—staff can move up and down the agency and be part of that agency. There is this issue about the CEO answering to the board. I will let Mr Warner comment in relation to the issue the member raises.

**Mr L. Warner:** That was done as part of the machinery-of-government reforms, so, yes the Public Sector Commission helped oversight those changes, in addition to other central agencies—the Department of the Premier and Cabinet, and Treasury—and, of course, the agencies that came together. As the Premier said, the situation currently is that the staff of the development commissions are employed within the broader department and the department is supporting the operations of the commissions through normal secondment arrangements.

**Ms M.J. DAVIES:** Perhaps the Premier can help me to understand this. If someone is a staff member in, for instance, the Mid West Development Commission or the Wheatbelt Development Commission, to whom do they report? Who has the responsibility in the reporting structure? Who are they listening to—the chief executive officer or the director general? How does it work?

**Mr M. McGOWAN:** The advice I have, and my view, is that they answer to the CEO of the commission, certainly in relation to their day-to-day activities, but all their other issues, whether it is payroll, personnel management, applying for other jobs or moving around the agency, are part of a bigger, stronger agency. To be honest, I think it is better for the staff. I saw some examples of development commissions—certainly not the South West Development Commission—in which there were a lot of internal problems. The member for Central Wheatbelt would probably be familiar with one in particular that had a lot of internal problems and a lot of problems with the CEO. The staff felt isolated and it was really quite a basket case. I think this might assist in preventing that from occurring in the future.

**Ms M.J. DAVIES:** Just so I am clear on the reporting structure, if it is direction from government, if it is strategy or if it is implementation of the blueprint and those sorts of things, the staff take direction from the CEO, but for human resources, payroll or back office functions, the structure is supported by the central department. For all intents and purposes, the Premier says that they are operating the same as they were before in terms of the CEO having responsibility for directing and reporting to the board and having a decentralised decision-making structure.

[4.00 pm]

**Mr M. McGOWAN:** My understanding of how it works is that the staff will answer to the chief executive officer, but they are part of a bigger organisation. I will ask Mr Warner to comment.

**Mr L. Warner:** As employees of the department, they are subject to the direction and control of the director general of that department to the extent that that control is given. My understanding is that on a day-to-day activity basis, they take instruction from the senior officer in their location, which is the CEO of the commission, which is not an unusual circumstance in government. In effect, the resources for day-to-day activities are assigned or seconded under the direction of the CEO, but for the purposes of broader career paths or opportunities, they are employees of the department.

**Ms M.J. DAVIES:** Have staff been elevated or shifted? Are there examples of staff being brought back into the department or seeking elevation in the structure? Has that change started to occur?

**Mr L. Warner:** I am not aware of any specific details. That question about what is happening in his agency might be better asked of the director general of the Department of Primary Industries and Regional Development.

**Dr M.D. NAHAN:** The government put together a number of agencies that had boards and separate legislation, Rottnest —

**Mr M. McGOWAN:** Is this the same dot point?

**Dr M.D. NAHAN:** I am trying to get an understanding of chain-of-command issues and responsibilities. The department includes Perth Zoo, the Rottnest Island Authority and, I believe, the Botanic Gardens and Parks Authority for Kings Park. All those have separate boards and separate funding arrangements and whatnot. The chief executive officers by legislation are responsible to the board. Then we have an overarching director general. How does that work? Do the staff of, let us say, the Rottnest Island Authority board take directions from the director general? What is the role of the Rottnest Island board in overseeing and setting budget responsibilities?

**Mr M. McGOWAN:** I will say something general and then I will hand to Mr Warner to have a crack at it. The Department of Biodiversity, Conservation and Attractions has synergies across each area. Obviously, the Zoo, Kings Park and Rottnest Island are essentially nature-based attractions and part of Western Australia's strength.

They fit within a broader biodiversity and conservation context. They also sit within a tourism context. We had to choose where to put them, but we thought putting them under biodiversity sort of worked and I think that is what has happened elsewhere. They fit within a larger agency now. They have their boards and their person running them, who is, as far as I am aware, answerable up the chain to the head of the department, Mr Mark Webb. He is a very professional public servant and once ran Kings Park. Those people interact with their boards, but they are also answerable as part of a larger organisation. We have to look at the evidence. Rottnest has been a stunning success. It has been extraordinarily successful recently. I think that the management, the people on the board, John Langoulant, Michelle Reynolds, and Mark Webb, have been doing a very good job.

**Mr L. Warner:** There has been no change to the statutory powers or functions of the boards under the department. The act established the boards and they remain in force and continue to exercise those powers and have responsibility for those functions. Mark Webb is the director general of the department and concurrently appointed as the CEO of the three separate entities—Rottnest Island Authority, the Zoo and Kings Park. He holds four CEO positions and exercises his powers as the CEO of those agencies, and has allocated resources to those organisations to function. That is how the operations have been established.

**Dr M.D. NAHAN:** There is essentially one CEO for those three agencies; Mr Webb is the CEO of Rottnest, the Zoo and Kings Park.

**Mr L. Warner:** That is correct. He has been appointed concurrently to all those CEO positions.

**Dr M.D. NAHAN:** Each agency had a CEO before the change. Have all three of those CEOs exited the scene because Mr Webb is now effectively the CEO of all three simultaneously?

**Mr L. Warner:** Mr Webb at the time was the CEO of Kings Park, so he remains in that role.

**Dr M.D. NAHAN:** I think he was acting somewhere else.

**Mr L. Warner:** He was acting as the director general of Department of Agriculture and Food at the time, but substantively held the position at Kings Park. Ms Susan Hunt, who was at the Zoo, is now acting CEO of Lotterywest and concurrently Healthway. There was a vacancy at the Rottnest Island Authority at the time of the machinery-of-government changes.

**Dr M.D. NAHAN:** Effectively, the government has combined all three CEO positions of those agencies into a single person, so we have lost two CEOs.

**Mr L. Warner:** That is correct. That enables one single person to have the control and authorisation to give effect to the intent of the reform to create the department in the first place, which was to drive synergies around that portfolio.

**Mr J.N. CAREY:** I refer to “Election Commitment: Senior Executive Service Reduction” under “Spending Changes” on page 70. I want to know whether we are on target and how much we have saved to date.

**Mr M. McGOWAN:** We announced the changes in April last year and we committed to delivering a reduction in the number of state executive service officers. When we came to government, there were 521 SES officers across the Western Australian public sector. Prior to the election, we committed to a 20 per cent reduction. We have achieved that in less than a year. As of May, there are 396 SES officers in the public sector. That is 521 down to 396, which is well below our target of 417. It is a net reduction of 125 officers, but a gross reduction of 152 officers. The reductions were achieved by retirements, resignations, non-reappointments and officers invoking their right to return. It was a difficult undertaking. Obviously, it is not pleasant, but it is one of those things we have to do in government if we are determined to get the state’s finances back under control. The saving from this initiative is around \$26 million a year.

**Dr M.D. NAHAN:** Last year, the government’s target for the voluntary targeted severance scheme was 3 000. I think the government has achieved 2 200 or something like that.

**Mr M. McGOWAN:** It is around that.

**Dr M.D. NAHAN:** Yes. Does the government plan to complete the 3 000 over the next year or has the government’s target been adjusted? If not, is the additional 800 still the government’s target and is it built into the expected savings in 2018–19 and beyond?

**Mr M. McGOWAN:** The budget is accurate. The number that we will achieve by 30 June is around 2 200. We expect to achieve the others over the coming year or couple of years. It is hard to say exactly. But we have obviously pushed this scheme and it has been a difficult exercise. It is not a pleasant exercise. I have had a lot of complaints about it. People are unhappy about it for various reasons. Obviously, in a perfect world we would not do it, but the situation we are in means that we have to do things that we do not particularly like doing.

**Dr M.D. NAHAN:** It is a selective one. When we were in government, we did 5 500, and we had to knock quite a few applications back. People applied for voluntary severance at a very high rate. In some departments the rate of rejection was more than 50 per cent. How many people did the government knock back in this round because it decided that it needed them, rather than wanted them to leave? Does the Premier have data on that?

[4.10 pm]

**Mr M. McGOWAN:** How many people were knocked back?

**Dr M.D. NAHAN:** Applied, but the director general refused.

**Mr M. McGOWAN:** I will ask Mr Warner to comment.

**Mr L. Warner:** We do not have that information at the moment. At the end of the day, people expressed an interest and the directors general had to make a decision as to what they thought would be reasonable in terms of business operations. It is not a given that someone putting in an expression of interest will be provided with an offer.

**Dr M.D. NAHAN:** The way it worked before was that a target would be set, people would apply, the director general would say yes or no, and then what the severance would be would be gone through. So, the department does not have the data about the difference between applications and acceptances?

**Mr M. McGOWAN:** I will let Mr Warner comment.

**Mr L. Warner:** We have some data, but as the scheme is still open, I am unable to give consolidated figures.

**Dr M.D. NAHAN:** Is there a remaining issue with people applying to leave but the department DGs do not want them to leave? Is that a significant issue?

**Mr M. McGOWAN:** I think there is a bit of that. I will let Mr Warner comment in a moment, but anecdotally I have had people say that they would like to take it up but the agencies cannot afford to lose them. Let us imagine an agency such as Education. We can have only very limited take-up there because we have to have a certain number of teachers and education assistants to meet the needs of classrooms. So, for every teacher who might want one—I suspect there would be lots—we cannot offer them because we need people in front of classrooms. Other agencies we can afford to let people go and deliver savings. That is why in Education we have had to look for savings initiatives elsewhere inside the portfolio, other than directly in front of classrooms. That has caused a lot of pain, as the Leader of the Opposition knows, but that is the reality of that portfolio. Health has already had a significant reduction in numbers. Health is doing its best, and these days it is achieving unheard of low levels of expenditure growth—unmentionable low levels of expenditure growth. It is doing its bit in many ways, and across the broader public sector we are delivering targeted redundancies. But often a redundancy is not available for everyone who wants one because that person and their position are required. Do you want to comment, Mr Warner?

**Mr L. Warner:** Yes. I understand that it is not uncommon for these sorts of schemes to be oversubscribed with people putting out expressions of interest, but as it is a targeted scheme, it is around making sure that agencies can continue to deliver services. Therefore, directors general have to be circumspect in the offers they make.

**Dr M.D. NAHAN:** Was the scheme open to frontline services such as police, nurses, doctors and the like?

**Mr M. McGOWAN:** It was across the public sector. People can apply, but it does not mean they will be accepted. A specific program within Police will replace people with new officers. Often, officers are very keen to leave, and they are replaced with new officers. I think the former government did something similar back in 2014 or thereabouts. That is the advice we got. But obviously over time the number of people who want to leave builds up, and this opportunity is there. It is an instrument by which the public sector can renew and make savings, but it comes with a degree of pain and some people are unhappy about it. Were our financial circumstances different, we may not do this.

**Mr Z.R.F. KIRKUP:** I refer to “Public Sector Leadership” on page 72 of budget paper No 2. I am keen to understand whether, in order to develop and support the public sector, any staff satisfaction surveys have been taken across government and whether the agencies that conducted them have provided the information to the Public Sector Commission; and, if so, what the results of those surveys have been.

**Mr M. McGOWAN:** I will let Mr Warner comment.

**Mr L. Warner:** The Public Sector Commission, as a regular kind of program, surveys a sample of public sector agencies and reports on this in its “State of the sectors” report. In 2018 we commenced a survey of nine of the machinery-of-government affected agencies. We are currently collating the data from that employee perception survey. The aim of the EPS is to provide employees with an opportunity to provide feedback on workforce management topics in the context of their organisation, particularly those going through changes. In 2018 some questions were specifically included to deal with change management, but a core group of questions were retained. It is undertaken as a monitoring exercise to enable the commission to give advice and support to agency heads and to have a baseline for any practice improvements that might arise. We see this as a positive way of giving feedback to agencies so that they can better support their employees, particularly those undergoing those sorts of changes. As a normal rule, the copies of the EPS will be provided to the agency heads to detail the feedback from their staff. As I have said, we are currently collating all that data and, hopefully, we will soon be in a position to provide that to those agencies.

**Mr Z.R.F. KIRKUP:** Could the Premier outline the nine agencies and whether the results of that staff employee perception survey will become public? Does the Premier intend to table that information?

**Mr M. McGOWAN:** I will let Mr Warner provide that advice.

**Mr L. Warner:** The agencies that participated in the survey are the Department of Biodiversity, Conservation and Attractions; the Department of Communities; the Department of Jobs, Tourism, Science and Innovation; the Department of Justice; the Department of Local Government, Sport and Cultural Industries; the Department of Mines, Industry Regulation and Safety; the Department of Planning, Lands and Heritage; the Department of Primary Industries and Regional Development; and the Department of Water and Environmental Regulation. We provide the individual reports direct to the agencies. We do not as a rule publish the individual reports, but we get the aggregate data and publish what it tells us as part of the “State of the sectors” report, which is then tabled in Parliament.

**Mr Z.R.F. KIRKUP:** Premier, do those employee perception surveys try to understand or gauge the interactions with executive government from an agency perspective?

**Mr M. McGOWAN:** I will let Mr Warner comment.

**Mr L. Warner:** The focus of the surveys is really around employee engagement with what is happening in their own organisations; it is not generally to do with an individual’s interaction with executive government. In fact, most employees would not have a significant interaction with executive government.

**Mr Z.R.F. KIRKUP:** At that point in time the PSC is not inquiring into interactions? No part of the perception survey relates to the interaction with ministerial officers.

**Mr M. McGOWAN:** Sorry; can you repeat your question?

**Mr Z.R.F. KIRKUP:** Does no part of that employee perception survey relate to the interaction with ministerial officers?

**Mr M. McGOWAN:** I do not know the answer to that question, so I will ask Mr Barrett.

**Mr A. Barrett:** No question specifically asks that question.

**The appropriation was recommended.**

**Division 5: Governor’s Establishment, \$7 361 000 —**

**The appropriation was recommended.**

[4.20 pm]

**Division 7: Salaries and Allowances Tribunal, \$1 101 000 —**

Mr T.J. Healy, Chair.

Mr M. McGowan, Premier.

Mr S. Kennedy, Chief Executive Officer.

[Witness introduced.]

**The CHAIR:** Leader of the Opposition.

**Dr M.D. NAHAN:** The government made a number of changes that restrict the tribunal's activities in that it overrode the tribunal and froze salaries and whatnot. What impact is that having on the workload of the Salary and Allowances Tribunal?

**Mr M. McGOWAN:** I think the question is to me. The Leader of the Opposition is correct; we made some changes; namely, we have frozen the salaries of all members of Parliament, all ministers, all judges, the Governor and all chief executive officers of government departments for a minimum of four years, saving in the vicinity of \$20 million. We thought that was the right example to set for the remainder of the public sector, which was enduring a tougher wages policy than was otherwise in place. Again, it is one of the initiatives we have taken to get the state's finances back under control. I think it was the right thing to do and, as the Leader of the Opposition knows, those incomes are much higher than the average income across the community. It has caused some pain, obviously, but it has been well received. The role of the Salaries and Allowances Tribunal is broader than just that. It deals with local government CEOs, elected members and members of university governing councils. It also examines reclassifications and arrangements for appointments and vacancies. It is a broader role than just the pay issue for those people I referred to earlier. I will let Mr Kennedy comment on the question the Leader of the Opposition raised.

**Mr S. Kennedy:** In a broad sense, at this early stage, there has not been a lot of change. The effect of the wage freeze was really to remove the annual adjustments traditionally made once a year. As the Premier said, a range of other work goes on in any case. Ordinarily, the tribunal might make 30 to 40 determinations a year. Of those, it would be five or six that relate to the economic adjustment. In a broad sense, perhaps that answers the question that there is still a fair bit of activity but that specific economic component, which attracts a fair bit of attention, has clearly been removed from the tribunal's ambit.

**The CHAIR:** Before you ask further questions. I assume you meant page 92.

**Dr M.D. NAHAN:** Division 7 page 92, that is right.

Is the determination of those annual increments relating to freezing the wages of all those people a small percentage of SAT's total workload?

**Mr M. McGOWAN:** It is part of the workload, but it is not all the workload. I will hand over to Mr Kennedy.

**Mr S. Kennedy:** It is the most prominent part, I guess, in the sense that it attracts the most attention. It is fair to say a core body of work goes on in any case.

**Mr Z.R.F. KIRKUP:** The Premier mentioned freezing the Governor's salary.

**The CHAIR:** I assume that is the same page number.

**Mr Z.R.F. KIRKUP:** It is the same page number, thank you very much, Chair.

**Mr M. McGOWAN:** From memory, that was within the legislation we passed last year, but I will ask Mr Kennedy.

**Mr Z.R.F. KIRKUP:** There was a question attached to that. I was wondering whether the Premier could confirm that the Premier's salary has actually increased over the last financial year.

**Mr M. McGOWAN:** Whose?

**Mr Z.R.F. KIRKUP:** Sorry, the Governor's salary.

**Mr M. McGOWAN:** I do not know the answer to that question.

**Mr S. Kennedy:** From memory, I think strictly speaking, the newly appointed Governor's remuneration was decided before the legislation took effect. The tribunal's decision did peg that remuneration at the level of the outgoing Governor, so the short answer is no, I do not think it did increase from the last financial year.

**The appropriation was recommended.**

[4.30 pm]

**Division 15: Jobs, Tourism, Science and Innovation — Service 1, State Development, Jobs and Trade, \$100 059 000 —**

Mr T. Healy, Chair.

Mr M. McGowan, Minister for State Development, Jobs and Trade.

Mr R. Sellers, Acting Director General.

Mr G. Wedgwood, Deputy Director General, Resources Development and Defence.

Mr J. Ostojich, Deputy Director General, Policy, Planning and Science.

Mr S. Melville, Director, Corporate Services.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the Leader of the Opposition.

**Dr M.D. NAHAN:** I refer to page 174, "Western Australian Jobs". I assume that is part of this area. The government has a number of jobs initiatives such as the Western Australian Jobs Act, the industry link advisory service and another that is mooted here—the skilled local jobs bill that is yet to come. The government has focused very much on trying to get Western Australians to be successful when contracts are determined. I would like to explore how successful that is and what the monitoring of government tenders is like. I know that this might be a bit difficult because it deals with a project in transport, but I would like to get the Premier's response on this. The major objective that is stated in those four dot points is that the government will do whatever possible to get Western Australian firms—defined the way they have to be—to be successful in government procurements and government contracts. What processes have been put in place to monitor government tenders—there are many tenders, and a large amount of money is allocated—to ensure that government gets the best and that local people and firms have a good go and are in a competitive position to get those contracts?

**Mr M. McGOWAN:** I thank the Leader of the Opposition for the question. Firstly, I will put some context around it before I ask for advice from Mr Wedgwood. The portal and initiatives we are undertaking under the Western Australian Jobs Act will not go fully live until later this year—I think it might be the end of September or 1 October. A lot of work is going on to make sure that it is all effective at that time. Monitoring what has been done under that is difficult because it has not been fully implemented at this point. We may be able to answer that next year rather than this year. I will ask Mr Wedgwood to comment on the existing arrangements, which have been in place for a number of years.

**Mr G. Wedgwood:** The target is somewhere around an annual spend of \$27 billion per annum by state government agencies. Converting that into local opportunities will have a significant impact. As the Premier said, the Western Australian Jobs Bill and the Western Australian industry participation strategy will go live on 1 October. We are currently working through the various tender processes and working with government trading enterprises and key government departments. As part of that process we have selected a group of pilot projects to work through in the run-up to finalise the industry participation strategy and the other bits and pieces. Metronet is one of those. If the member is interested, I will run through them very quickly. They range from the Bunbury Regional Prison expansion to the Reid Highway dual carriageway project, the Casuarina Prison expansion, the York wastewater treatment plant upgrade, the berth 3 deck replacement project in Port Hedland, the new Museum project stage 2, Metronet, the Melville Senior High School theatre, and the Southern River College upgrade. We are working through a range of projects to fine-tune the industry participation strategy and the associated activities.

**Dr M.D. NAHAN:** Is the government's thinking to base it on what governments used to do for large projects—such as LNG projects that came up—in which the proponent would specify in quite good detail the type of project and the government would assist local firms to be in a position to bid for those? Is that what the program is?

[4.40 pm]

**Mr M. McGOWAN:** I will let Mr Wedgwood comment on that.

**Mr G. Wedgwood:** Yes, but obviously with the private sector projects, we do not have quite the same degree of influence. Given that this is government expenditure, the idea is to break the various projects down into bite-size chunks so that local industries are capable of understanding what is required and put themselves in a position to tender for them and tender successfully. It is basically a twofold activity—one about encouraging working with the GTEs to manage those processes and then the other half of the equation within our department is to work with local industry to highlight the opportunities to bring them up to speed on being able to tender and hopefully tender successfully for this work in the regions. I think about nine specialist sections are working on improving industry participation in government tendering. A database and a website are up and running within JTSI to work through those things with government enterprises and departments on one side and industry on the other. We are also getting involved in the tendering process. There is a Chinese wall within the department between the tenders and submitting a tender proposal because we need to manage that fairly carefully. That has already been thought through and those arrangements are in place.

**Dr M.D. NAHAN:** The department is developing its processes. Is the government ensuring that it is getting maximum local content for the various tenders put out and contracted? Does it have an interim process whereby it indicates to the departments that it wants to maximise or achieve a target of local content and some guidelines on trade-offs between local and offshore businesses?

**Mr M. McGOWAN:** The answer is clearly yes. They can read the newspaper and they can see the government's direction. They know we passed the jobs bill. The existing arrangements that were there historically are still there until the jobs bill becomes live, but they understand the government's direction and ministers understand the government's direction. They all saw what happened with the stadium footbridge. They all know that there were problems. I expect that there is a lot of movement, activity and understanding across government about this government's direction.

**Dr M.D. NAHAN:** Is the Premier across the recent tender given to a firm for works at Hillarys Boat Harbour and Two Rocks marina worth \$8.7 million for demolition and new pens?

**Mr M. McGOWAN:** I am not sure what the Leader of the Opposition is referring to.

**Dr M.D. NAHAN:** It deals with the choice of contractor and local content.

**Mr M. McGOWAN:** Which page is the member referring to?

**Dr M.D. NAHAN:** The issue is to understand how much preference the government gives to local content in its very entities. It is a very big project, and something that Western Australia does a lot of—that is, building floating marinas—and some of them are very good at it. It went out to tender in mid-December and closed in mid to late April. Even though the major contractor that won it, at \$8.7 million, is a local firm, all the inputs—the manufacture of the floating pens and pontoons—are built in France. Two other local manufacturers were part of the bidding processes but they were unsuccessful in bidding for this work. In effect, a major project in which we have a great deal of skill in building floating marinas effectively went to a joint venture with a French firm rather than to local firms.

**Mr M. McGOWAN:** Can the Leader of the Opposition tell me which line item he is on?

**Dr M.D. NAHAN:** It is Department of Transport contract 40917. It is for Hillarys marina. It was for demolition work and new pens.

**Mr M. McGOWAN:** Hillarys marina is not part of the Department of Jobs, Tourism, Science and Innovation.

**Dr M.D. NAHAN:** I am trying to explore the government's policies on local content. This question specifically relates to tendering. I am referring to a fresh tender that effectively went out under the government for a major project in an area in which Western Australian firms are very competitive. The contract was effectively let to a French firm as opposed to a local one.

**Mr M. McGOWAN:** I do not know anything about this particular tender. The Leader of the Opposition will need to ask the Minister for Transport what has gone on when the Transport estimates come on.

**Dr M.D. NAHAN:** What instructions does the Premier give to his department, in this case DOT, for giving preference to local firms, particularly when they are competitive in providing these services?

**Mr M. McGOWAN:** I do not know the details of what the Leader of the Opposition is referring to or the specific case.

**The CHAIR:** In terms of the division we are dealing with, is there a line item or a page, just to give the context in this department or in this division?

**Dr M.D. NAHAN:** Yes. It is under "Western Australian Jobs" on page 174. There is a whole statement of policies, which we discussed, to promote and ensure maximum local content. The government has a whole process

underway but in the meantime, \$26 billion a year is being spent on a raft of other projects. I want to explore what policies the government has put in place or what direction it gives to departments before the whole plan is laid out to ensure that when local manufacturers and producers are competitive, they get a good look in and explore some of the trade-offs that the government is going to implement as a policy and why it would choose an offshore one as opposed to a domestic one. In other words, what kind of price differentials is the government getting?

**Mr M. McGOWAN:** I understand the question but I am not sure how it relates to the division of Jobs, Tourism, Science and Innovation.

**Dr M.D. NAHAN:** It relates to Western Australian jobs.

**Mr M. McGOWAN:** Okay; the Leader of the Opposition can talk. I will go and have a cup of tea.

**The CHAIR:** Have you finished your question, member?

**Dr M.D. NAHAN:** Yes.

**Mr M. McGOWAN:** Can I answer the question?

**Dr M.D. NAHAN:** Yes.

**Mr M. McGOWAN:** This is the Department of Jobs, Tourism, Science and Innovation. We are putting in place a new policy arrangement in October. The existing policies are the policies that we inherited. Obviously, we want to see more local content, and that is the broad direction to the public sector. It sees it, it hears our speeches and it knows that we passed this new legislation and the like. The member expects me to know the specific circumstances of an \$8 million contract out of a total \$27 billion spend. Maybe the member should go to the Transport estimates and ask that of the transport minister.

**Dr M.D. NAHAN:** In the meantime, the Premier is developing a project. He did inherit policies. They are now his policies; he is implementing them. He has to start taking ownership; he is the Premier. The issue I have is that in the meantime, before all these projects are developed, a hell of a lot of contracts and tenders are being let. What kind of guidelines, assurances and monitoring of tenders is the Premier doing to ensure that the tendering departments give preference to local jobs and, indeed, local contractors and what kind of guidelines is he giving them?

**Mr M. McGOWAN:** I can only ask the Leader of the Opposition to talk to the transport minister at Transport estimates with his specific example. I am sure she will be made aware, post this session, that he has this example. I do not know the circumstances. I do not know what occurred. I do not know what the pricing was. No doubt, all those things are relevant. Price will always be relevant, as will quality and all those things. We saw some pretty egregious examples historically when price was the only factor, quality was ignored and Western Australian jobs were ignored. We are obviously changing that situation. The Leader of the Opposition is maybe asking a bit much to expect me to know the details of an \$8 million contract for a jetty in a marina out of a \$27 million spend.

**Dr M.D. NAHAN:** Just to clarify, the minister said in a statement that in the past there were egregious examples when only price was taken into consideration and I assume contracts went offshore. Yes, the government has a process that the Premier's advisers laid out. In the meantime, we have examples that show that that process, which the Premier criticised very heavily, is still underway.

[4.50 pm]

**Mr M. McGOWAN:** We changed the rules but it takes a little while to get things in place. The jobs bill goes live on 1 October. There is a range of pilot projects, of which that is not one. We cannot work miracles. I think the Department of Finance, the Department of Jobs, Tourism, Science and Innovation, and other agencies have worked incredibly quickly and done an enormous amount of work to get it to this point. That is what is occurring and that is what will occur on 1 October. I do not know the circumstances of the particular case. The Leader of the Opposition indicated in his first question that a local contractor won the contract. I do not know what components of that contractor's bids were manufactured here or elsewhere apart from what the Leader of the Opposition said. I cannot provide him with details. If the Leader of the Opposition wants to go to the transport estimates and ask that question, I am sure it will be on tomorrow or the next day.

**Mr W.R. MARMION:** I refer to page 175 and the last dot point under "Science and Innovation", which outlines the \$17.8 million new industries fund. Can the Premier advise whether the \$17.8 million over four years replaces the previous government's \$20 million over four years for the innovation strategy?

**Mr M. McGOWAN:** Minister Kelly will be answering these questions when his division comes forward at 8.30 on Thursday evening. There you go! The member for Nedlands can come back here at 8.30 on Thursday evening. It is not in my division.

**Ms M.J. DAVIES:** I refer to the table on page 174, which is a continuation of spending changes from the previous page. The first line item is "Contribution to Broome Port Authority — Dredging Project". No funding has been allocated this year or in any of the forward estimates, but it is my understanding that the project is not completed. Can the Premier provide any advice as to where the funding is coming from?

**Mr M. McGOWAN:** I will get the acting director general or one of the advisers to comment. As far as I am aware, it is all proceeding relatively well, and we expect that will mean additional traffic through the port, whether it is cruise ships or other forms of cargo. It has been well received in the Broome community. I will let the officers comment on that.

**Ms M.J. DAVIES:** They would be very disappointed if there is no more funding, Premier.

**Mr M. McGOWAN:** I am sure it will be okay; we will find out.

**Mr R. Sellers:** The estimate for the dredging is around \$6 million, of which \$2 million will come from Kimberley Ports Authority, \$2 million from the Department of Jobs, Tourism, Science and Innovation and \$2 million from Ralph Addis's department. It is a combination —

**Ms M.J. DAVIES:** Royalties for regions?

**Mr R. Sellers:** From the budget within that department. It is from the Department of Primary Industries and Regional Development but from which bucket, I cannot remember.

**Mr M. McGOWAN:** The advice I have is that it is probably royalties for regions, but it is probably an inappropriate project for royalties for regions. It is shared across government, not just one agency.

**Ms M.J. DAVIES:** Previously, the project was wholly funded under this line item within this department. Has there been a change in the contributions?

**Mr M. McGOWAN:** My understanding is that it was never funded. I announced this project with the Ministers for Tourism and Transport earlier this year or late last year on a cruise ship in Fremantle harbour. It has obviously been an issue in Broome for a long time. My understanding is that it has never been funded. We allocated money towards it and the funding sources are the funding sources outlined by the acting director general.

**Dr M.D. NAHAN:** I refer to page 174 and the second dot point under the heading "State Development", which relates to lithium processing facilities at Kwinana and Kemerton, specifically Kemerton. The Kemerton facility has issues, I understand, with commonwealth environmental approvals, which have to be addressed. I have also been informed that it needs substantial investment for water, power and wastewater if it is going to be the site for a processing plant. Can the Premier confirm that and indicate where in the budget that money has been allocated for those investments?

**Mr M. McGOWAN:** I will make some broad comments before I hand to Mr Ostojich to answer more specifically. Obviously lithium is a big opportunity for Western Australia. The other week I announced a project with a Chilean company in Kwinana. We expect that it will get off the ground and be a major lithium processing facility with a mine and logistics facilities near Southern Cross. We announced the expansion of Tianqi in Kwinana some months ago. When I was in the United States, I met with the chief executive officer of Albemarle Corporation, which wants to establish a lithium processing facility in Kemerton, I think, using the mine from Greenbushes, from memory. It is very keen on the approvals taking place. The issue is largely the commonwealth approvals. I have spoken to and met with the Minister for the Environment and Energy about the issue. He has been lobbying the federal government to make sure that the approvals as are expeditious as possible. Clearly, the Kemerton site is great because it is outside the metropolitan area and we diversify the opportunities. The other point—it was relevant in the GST debate—is this is a new mineral and a new industry for Western Australia. I have lobbied the commonwealth that it not be caught by the GST net. It is nothing that the other states were expecting. It would be a good way of showing a little of attention to Western Australia. We lose 88 per cent of the iron ore royalties that we secure. This industry has never been here before. Western Australia is the principal location of it and if we lose between 80 per cent and 90 per cent of the royalties, where is the incentive for the state government to approve these mines if the financial benefit to the state is gone? All I say to the commonwealth is that it should do the right thing by Western Australia. We have also allocated \$5.5 million for a cooperative research centre to be established in WA. If the commonwealth establishes it in another state, that would be highly, highly impractical and opportunistic considering the overwhelming majority of lithium in Australia is located in Western Australia. A CRC should be established here. In terms of the work that is needed to be done in Kemerton, I will hand over to Mr Ostojich to comment.

**Mr J. Ostojich:** Thank you, Premier. The project in Kemerton has gone through the Environment Protection and Biodiversity Conservation Act. The chief concern was the impact on Carnaby's cockatoos, which needed to be addressed. There was also concern about how orchard growth would be affected, although the specific orchard growth identified on that patch is well away from the location of the proposed plant. The one remaining issue, as I understand it, is making sure that none of the wastewater moves into the adjoining areas. That has been controlled; in fact, that will go well for the proposed Albemarle plant because Albemarle wants to retain as much of that water as it can. It has put in place and designed a system that will capture a one-in-10-year storm and I think it is now expanded to a one-in-20-year storm as well. They have got things well in place to satisfy the environmental approvals they need to get.

**Dr M.D. NAHAN:** Just to be clear, the government does not expect to need state government expenditure on infrastructure relating to water, wastewater or power to address the Albemarle plant?

**Mr M. McGOWAN:** I will hand over to Mr Ostojich to comment.

[5.00 pm]

**Mr J. Ostojich:** I do not think there is any scope for the state to be involved in funding of any of these things. These are matters that the company needs to address in order to pass its environmental test.

**Mr W.R. MARMION:** There was talk about the Kemerton site of the possibility of reopening the railway line between Greenbushes and Kemerton if the project becomes large enough. Can the Premier give an update on whether that is being considered by Albemarle?

**Mr M. McGOWAN:** I do not know the specific answer to that question. I will hand that to Mr Ostojich.

**Mr J. Ostojich:** In the early part of the project's planning there was consideration about how the spodumene would be transported from Greenbushes to Kemerton. Part of that consideration was that it would be best and most efficient to bring it up by rail line. That idea fell away. The state, at that point, was looking to contribute to that process, if we were going to do that. Most of the expenditure of the state would have been on the crossover when it reached the Kemerton area. My recollection is that the state's contribution to that expenditure was about \$10.9 million. The company then made the decision that for the initial part of its project it would probably be best served by road transport. That then fell away, the need to deal with the railway ownership fell away and, as a result, the crossover matter fell away as well.

**Mr W.R. MARMION:** Has the Department of State Development looked at the possibility of further evaluating the lithium hydroxide and lithium carbonate processing that is happening; and, if so, what are the possible locations of a lithium processing hub? I guess Kwinana, Kemerton or both is a possibility?

**Mr M. McGOWAN:** Lithium is a big opportunity. There are deposits in the Pilbara and opportunities for processing and export through Hedland, as I understand it. There are deposits in Greenbushes and south of Southern Cross. There is a potential for a processing facility in Kemerton, a large one under construction in Kwinana and probably another one under construction there. I am keen to make sure that we get as many benefits to as many places as possible. The regions and the city benefit from this new mineral. There are two other great opportunities out of this, which is, firstly, the commonwealth acknowledging that this is not something that the other states were expecting or banking upon and excluding it from GST distribution, as a way of giving some benefit to Western Australia that does not disadvantage any other state; and, secondly, working on what other downstream processing opportunities exists. Those are the sorts of things that we are currently considering.

**Mr W.R. MARMION:** I am moving to the next level up. We have lithium ore, which is further processed to either lithium hydroxide or carbonate and then it is exported, but we could ultimately manufacture batteries in Western Australia. Has the Department of Jobs, Tourism, Science and Innovation looked at that possibility and can the Premier explain what has happened?

**Mr M. McGOWAN:** That is one of the things that we are looking at. I am keen on the idea. We produce not only lithium, but also nickel. I think another battery component is copper. As the member knows, we have the Nifty copper mine; I have been there. We have all the relevant parts to a battery here. We have a nickel refinery in Kwinana and I think there is another in Kambalda. Obviously, we produce nickel. As I understand it, 90 per cent or 95 per cent of a battery is nickel. People get hooked on lithium, but it is actually nickel. We have all the constituent elements, so we have a big opportunity in the future. We have a slight issue with graphite, so we have to find some graphite. Hopefully, under the exploration incentive scheme someone will find some graphite out there and then we will have everything.

**Mr W.R. MARMION:** I think another element is potash, which I think we have.

**Mr M. McGOWAN:** Is potash in a battery?

**The CHAIR:** Premier.

**Mr W.R. MARMION:** I have not actually asked a question yet, that was a comment. The question is still on this same point. The main problem with manufacturing the battery is the intellectual knowledge, which is owned by certain companies such as Panasonic, Sanyo et cetera, so we would need to find out what they would require, if we were going to manufacture a battery in WA. We can have all the elements but we need the IP to develop it. Has the department spoken to battery manufacturers to see whether they are interested in developing a battery manufacturing industry in Western Australia?

**Mr M. McGOWAN:** There have been ongoing discussions, because we have all the elements here. There is a lot of competition for where companies such as those the member mentioned and Chinese companies or Elon Musk and Tesla and all those sorts of organisations might manufacture these things, because it is a big part of the world's future. Our advantage is that we have huge amounts of lithium and nickel and large amounts of copper and cobalt.

I am not sure about graphite and potassium but we have large amounts of the constituent elements. There are ongoing discussions around that. I do not want to pre-empt them and I do not want to jinx it. I am very keen that we continue to work on it and there is the potential for opportunities in the future. Other countries are very keen to keep manufacturing in their countries. Think about those companies. There is Japan, Korea, China and the United States. This could be seen to be a strategic industry, so it is one of those that we will have to fight hard to get but I know the agency is working hard on this issue.

**Mr W.R. MARMION:** Can the Premier outline the barriers that these companies have said for why they will not set up in Western Australia?

**Mr M. McGOWAN:** It is about where they might have capital already invested. The labour costs in some of the places where they have capital invested is a quarter or one-third of the capital cost here, which is obviously an issue. That is difficult and undesirable for us to address, so we are not going to half or —

**The CHAIR:** No further questions on that.

**Mr M. McGOWAN:** I am answering. I was in middle of answering it.

**The CHAIR:** Apologies.

**Mr M. McGOWAN:** That is not an easy one to address. If they already have capital invested, it might, as I said, be seen as a strategic industry in some countries, so they want to maintain it where they are. But on the other hand we have a great advantage in that we have the raw materials. Perhaps a compromise can be reached and that is one of the things we are working on.

**Mr W.R. MARMION:** If we were to develop a battery manufacturing plant in Western Australia, would the Premier see Kwinana as being the obvious site?

**Mr M. McGOWAN:** It is really what the market decides. We would work with anyone who wanted to do it at an appropriate site, having access to labour and the other components. As I said before, there is a nickel refinery in Kwinana but there is also one in Kambalda, which have access to export facilities. A range of sites could meet the demand. I would not want to pre-empt what a prospective company or investor might want to do. I would want to work with them to secure a location that met their needs. I am pretty sure it would not be Nedlands!

**Mr D.T. PUNCH:** The third dot point on page 175 under “Growth of the Western Australian Tourism Industry” refers to new international aviation links, which I know the government has been working very hard to achieve. Can the Premier give us a progress report on how this is going to grow Western Australian tourism jobs?

[5.10 pm]

**Mr M. McGOWAN:** I think this question falls within the purview of Minister Papalia, who will be here tomorrow morning. Broadly speaking, he is working with the agency on securing additional flights out of Shanghai. When I went to Shanghai, China Eastern Airlines gave an assurance that it would start trial flights this year or next year and new direct flights out of Japan and direct flights out of India. He is very focused on direct flights. They are important for the state. We are at a disadvantage versus Sydney or Melbourne. It is pretty obvious: Sydney or Melbourne are in the vicinity of 90 per cent of the nation’s population and they are cities two and a half or three times the size of Perth. However, Western Australia has a lot of deep business and cultural contact with places like China and Japan, so we have some advantages to secure flights. It is one of the things that we will continue to work on. The other states have some natural advantages that are difficult for us to match. When I was tourism minister, 13 years ago, everyone used to say about Australia that it is the bridge, the opera house and the rock. That is what people overseas know about us. Changing those perceptions is hard. It has to be done over time and it requires a lot of effort.

**Ms M.J. DAVIES:** I refer to the transfer of part of the Collie future fund to the Department of Primary Industries and Regional Development under “Spending Changes” on page 174. Why is it being transferred and what parts of it are being transferred?

**Mr M. McGOWAN:** I will ask Mr Wedgwood to comment.

**Mr G. Wedgwood:** It is a small portion of the total Collie futures funding. It is there to fund a series of small discrete projects in that Collie region designed to create opportunities for employment and investment. The larger portion of the Collie futures fund is there to carry out some detailed research and planning around the opportunities that are in and around the Collie region. It is all about looking for alternative sources of employment and economic activity in the area over the next few years. The department has a core role in that, but then the Department of Primary Industries and Regional Development is also involved as are Tourism and a number of other departments. At the moment we are working through a list of projects, looking at ones that would benefit from seeing some additional research or our department getting behind them or getting them into a shape where a project could proceed. By the end of this year we should have completed that initial phase and we should have a number of projects that could be pursued in the region. The options vary from things like renewable energy through to forestry activities. Water for Food is an initiative that was started under the previous government that has been fine-tuned under this government, and a range of other activities.

**Ms M.J. DAVIES:** Just so I am clear, the funding for those projects that has been transferred is for the projects to which we have just referred and has not yet been defined?

**Mr M. McGOWAN:** An amount of \$2 million across five years was transferred to the Department of Primary Industries and Regional Development for a small grants funding program and \$18 million in project funding remains with the Department of Jobs, Tourism, Science and Innovation for the 2018–19 to 2020–21 period. Does that answer the member's question?

**Ms M.J. DAVIES:** How were the projects that have been defined developed and identified?

**Mr M. McGOWAN:** Under the part of the program that sits within Jobs, Tourism, Science and Innovation? What is the process there, Mr Wedgwood?

**Mr G. Wedgwood:** Just so we are clear, the amount of money that is being transferred is to cover a series of discrete projects as they are identified and as they are shaped up to be in a position to be supported. That is being done partly in conjunction with our department but also a steering group involves the local member and the Minister for Regional Development. There is also a collection of larger potential projects, which the balance of the \$18 million covers. There is a range of work to go into those to get them into a shape that they would be considered as projects that could be pursued. Most of that work is being done within our department and is then subject to approval obviously.

**Mr M. McGOWAN:** The idea behind the \$18 million remaining within JTSI is on the basis that we look for opportunities to diversify the Collie economy. We all know that it is reliant on one mineral and we want to make sure that the town of Collie and the surrounding community has a long-term future and that it is not so reliant on one mineral.

**Ms M.J. DAVIES:** Is the amount that is being transferred to DPIRD notional at this stage as the projects are not yet identified?

**Mr M. McGOWAN:** My understanding is no, the projects are not yet identified.

**Dr M.D. NAHAN:** I have a question on state development. It is not one of the dot points but it is a relevant area, particularly to Collie.

**The CHAIR:** On what page?

**Dr M.D. NAHAN:** On page 174 under "State Development". The department has had a long period particularly with agreement acts to manage coal resources in Griffin and other places. Those areas have had a long period of turmoil in terms of ownership, cost effectiveness and whatnot. Have there been any discussions between Griffin Coal, Lanco, the ICICI Bank or anyone else regarding the Griffin mine, amalgamations or removing some of the uncertainty in the coalfields?

**Mr M. McGOWAN:** I do not have exact details to answer that question. I will ask Mr Wedgwood to comment.

**Mr G. Wedgwood:** For the last five or six years, despite the uncertainty that has been around they have kept producing coal and the lights have stayed on, which from my perspective was a key achievement. The member would be aware from an article in the *Financial Review* a number of weeks ago that the ICICI Bank was using PricewaterhouseCoopers in Singapore and was sounding out whether there was any interest in Griffin Coal. I have not heard anything more than that. Griffin Coal has kept on producing coal and meeting its contractual obligations. Any conversations that might have occurred between Premier Coal and Griffin Coal are commercial and we have not been involved in any of those, so I cannot comment on that.

**Dr M.D. NAHAN:** Has Griffin or ICICI asked for relief, either in royalty relief or otherwise, from the department in recent times?

**Mr M. McGOWAN:** I am unaware of any specific requests in recent times. Who knows what has happened historically, but I do not know whether we want to get into what happened 20 or 30 years ago. Is the member referring to what happened in recent years or recent months, or the past few weeks?

**Dr M.D. NAHAN:** Last year.

**Mr M. McGOWAN:** I do not know the specifics of that. I will ask Mr Wedgwood to comment.

**Mr G. Wedgwood:** Over the past two or three years there have been at least a couple of requests for royalty relief and that has not been provided. At this point in time they are paying for royalties on the coal.

[5.20 pm]

**Dr M.D. NAHAN:** Griffin Coal had a long-term plan to export coal first from Bunbury and then perhaps from Kwinana, though I think it has been cut off from the Kwinana route. Is it still progressing the proposal to invest in Bunbury and export coal from Bunbury?

**Mr M. McGOWAN:** I have not heard anything about those proposals for a long time. My understanding is that the answer is no, but I will ask Mr Ostojich and Mr Wedgwood to comment.

**Mr J. Ostojich:** Griffin was pursuing the possibility of exporting coal through berth 14 in Bunbury, and it was progressing that until about two years ago. That has fallen away because of internal financial issues and the demand structures that it would no longer be able to satisfy.

**Dr M.D. NAHAN:** Is the department leading a discussion between Premier Coal and Griffin Coal to work together in some way to reduce the cost of mining coal and maximise the life of the resources in that area?

**Mr G. Wedgwood:** There is some obvious scope for cooperation because the mining areas butt up against one another. One side is one company and the other side is the other company. We have encouraged them to work together in those areas, but as far as them working together and treating the Collie basin as one basin, I have not had any conversations to that effect since I have been in what was formerly the Department of State Development, now the Department of Jobs, Tourism, Science and Innovation. The short answer is no.

**Mr J. Ostojich:** There are clear economies of scale advantages to doing that. Access to resources would make a lot more sense if it were one operation, but the problem is that they are two separate commercial operations. It is impossible to get them to work together on that scale. Obviously, they are working in their own interests, rather than in anyone else's interests—including the state's, for that matter.

**Dr M.D. NAHAN:** Is the greatest threat to the Collie basin the future of the coalfields? That has ramifications elsewhere in the state as they supply a lot of energy—30 per cent. Both Premier Coal and Griffin Coal are losing money, as I understand, in operating costs, and are not earning enough to reinvest. Is this not a huge threat to the Collie area and, therefore, should it not be one of the government's priorities to address?

**Mr M. McGOWAN:** Obviously, it is. That is why we have the Collie futures fund and a range of commitments to Collie. That is why we are working on renewable energy products there and the agency is working with the companies to ensure that they continue to operate. Some issues within businesses are beyond the scope of government to resolve. As one of my advisers indicated, these companies are two separate entities and getting them to work together and create one entity is really a matter for the market. We live in a market-based economy. They are two businesses. We have not had any supply or power problems. We have various standby plans if any of those things were to occur and the power supplies of the state were threatened.

I want Collie and the companies to be successful. I want the town to be vibrant and exciting and provide opportunities for the children who graduate from the school there. The town has been there now for 120 or 130 years and I want it to have a long-term future. We are always working towards that, but we cannot necessarily resolve some of the financial issues between the companies and, in some ways, that is not the role of government.

**Dr M.D. NAHAN:** In some sense, it is, if the government entity Synergy is the dominant buyer of coal from both companies and, therefore, the market is the government.

**Mr M. McGOWAN:** Not entirely.

**Dr M.D. NAHAN:** Not entirely, but largely. The government has a value proposition. Is the Collie basin project looking at allocating money to try to resolve problems and drive efficiencies by having these two businesses work together?

**Mr M. McGOWAN:** I do not know what the Collie basin project is.

**Dr M.D. NAHAN:** The Collie futures project.

**Mr M. McGOWAN:** The principal aim of the Collie futures fund is to find ways of diversifying and expanding the local economy. The agency and the steering committee are working on that principal aim.

**Dr M.D. NAHAN:** To get this straight, Collie is largely dependent on coal. It has many other issues. Both its mines are sub-economic. They provide about 30 per cent or thereabouts of the state's electricity energy. Griffin is virtually bankrupt and owned by a merchant bank. If these entities were to go under, it would impact on not only Collie, but also the state. What is the government doing to try to resolve these threats?

**Mr M. McGOWAN:** I am not sure whether it is helping things for the Leader of the Opposition to describe some of the companies —

**Dr M.D. NAHAN:** It is well known. You should read *The Australian Financial Review*.

**The CHAIR:** Leader of the Opposition, allow the Premier to answer the question.

**Mr M. McGOWAN:** I do not think it helps things in Collie for the Leader of the Opposition to describe companies as virtually bankrupt.

**Dr M.D. NAHAN:** This is reality. What is the government doing about it?

**The CHAIR:** Member, let the Premier answer the question. You can have a further question if you like.

**Mr M. McGOWAN:** I want Collie to be a vibrant and successful place and I do not think that political leaders should describe companies that are employing Western Australians as virtually bankrupt. I do not think that is

helpful. I think it is very inopportune and very unfortunate words. No doubt it will get picked up now and cause grief. I do not think that the Leader of the Opposition should be saying that. I think we should be encouraging a strong future for Collie. We have a range of initiatives to do so. Government has an opportunity to step in if there is any threat to the power supplies of the state. Those businesses are working out their issues and resolving issues with their workforce and the like, and I want them to be successful in the future.

**Dr M.D. NAHAN:** The Premier is very laissez-faire. He thinks that we should let them go about and resolve their own issues and if they fall apart, I suppose the government will have Synergy step in. The Premier is not going to take any —

**Mr M. McGOWAN:** I am not going to describe them as virtually bankrupt. I do not know whether that is helpful.

**Dr M.D. NAHAN:** One of them has been bankrupt.

**Mr M. McGOWAN:** Seriously.

**Dr M.D. NAHAN:** That is a fact.

**Mr M. McGOWAN:** What is the Leader of the Opposition trying to do to them?

**Dr M.D. NAHAN:** Nothing. I want to try to find out what the government is doing.

**The CHAIR:** Member, let him answer the question.

**Dr M.D. NAHAN:** I know his answer; he is doing nothing.

**Mr M. McGOWAN:** I do not know what the Leader of the Opposition is trying to achieve here. The member seems to be trying to create a situation.

**Dr M.D. NAHAN:** No, the Premier is not aware of it.

**The CHAIR:** There is no further question on that.

**Mr M. McGOWAN:** It is very unfortunate language and I would not be saying that about businesses that operate in Western Australia.

**The CHAIR:** There is no further question. I have a new question. Member for Nedlands.

**Mr W.R. MARMION:** My question is about the first dot point under “State Development” on page 174. The North West Shelf joint venture is very important. As it is explained in the dot point, the amount of gas flow into the North West Shelf joint venture is slowing down and we need to find more gas. I understand that the joint venture partners are looking at that matter. One suggestion is a pipe that might pick up a number of fields. Can the Premier or his advisers say which fields are being looked at to make sure that the North West Shelf joint venture continues into the future?

**Mr M. McGOWAN:** The North West Shelf is running down and we want to backfill the North West Shelf for the future of Karratha and the state. The agency and I are working on that project constantly with the joint venture partners and in particular Woodside, which is known as the operator. I have had a number of meetings with Woodside about this issue. We are working hard to resolve that. It has not reached any sort of crisis point or anything of that nature, but obviously Woodside wants to resolve it and we want to resolve it; we are all on the same page with backfilling North West Shelf. We obviously had some adventurism a few years ago when it came to James Price Point, north of Broome, which set the state back some significant amount of money and did not really result in anything apart from a loss of \$100 million. In terms of the joint gas pipeline, it sounds to me like a reasonable initiative for companies to agree and to work together. Obviously over the last couple of decades that has not been the approach in Western Australia, but clearly there is a degree of cooperativeness and collegiality between the companies on these sorts of things that has not been there before. I will let Mr Wedgewood comment on the specifics of that pipeline.

[5.30 pm]

**Mr W.R. MARMION:** The question was about which gas fields that pipeline will pick up.

**Mr G. Wedgewood:** One option is to pipe the gas from the Browse gas fields to North West Shelf. That involves a pipeline of circa 900 kilometres, so it is quite a big project. North West Shelf has small amounts of ullage in a few years’ time, and that will grow. The idea will be to backfill that ullage with a large source of gas. As a state we would be pretty excited to see Browse developed for a whole bunch of reasons, not the least of which is that we own a share of that gas field. From memory, I think it is the only offshore gas field we have ownership of. Having said that, the key driver is obviously to keep North West Shelf full for as long as we can. That is one option; it is a mid-2025–26-type option. The other one that is being looked at by Woodside is the possibility of bringing Scarborough gas to Pluto, and perhaps having a connection to North West Shelf to fulfil the ullage in the shorter term. So there are two quite exciting, substantial opportunities for offshore gas field development. I expect there would be a lot of engineering work and a lot of steel being used in those types of projects.

**Mr W.R. MARMION:** The Premier can probably clarify this because he has been around longer than me.

**Mr M. McGOWAN:** Only in Parliament!

**Mr W.R. MARMION:** That is true. Although Mr Wedgwood pointed out that we own one of the Browse Basin areas because it is part of Western Australia, I understand that Sir Charles Court negotiated an arrangement with the North West Shelf joint venture whereby WA gets a percentage of the royalties, of which 100 per cent would normally go to the commonwealth. Can the Premier confirm that, and what the percentage is? The other question follows on. If we are linking in gas from other fields and it is processed through the North West Shelf joint venture, would we still, regardless that it comes from a field that we own 65 per cent of because it is in Western Australia, get the same percentage of royalties from all gas processed through the North West Shelf gas joint venture?

**Mr M. McGOWAN:** That is a complex question. In terms of the negotiations between Charles Court and Malcolm Fraser back in 1977–78, my recollection is that it was a 70–30 arrangement, but I stand corrected. As to where that stands now, I am unsure of the exact detail and I think it is probably more a Treasury question than a Jobs, Tourism, Science and Innovation question, but maybe one of my assistants here knows the answer to that.

**Mr G. Wedgwood:** The history behind the original sharing arrangement was recognition of the investment that the government of WA put in at the time, not the least being the Dampier–Bunbury pipeline to get the domestic gas to the south west. Paul Keating as Treasurer put that arrangement in place, and it is still in place today. The argument around Browse coming to North West Shelf is that it is a different gas source. The social infrastructure and plant infrastructure is all mature. That will be an argument that we will put to the feds, but it is a different set of circumstances so it will probably be treated differently.

**Mr M. McGOWAN:** Obviously we get the royalties from any gas in state waters. From memory, there are three fields. The Torosa field was allegedly only discovered recently, although I am dubious about that. Some of the gas is in state waters, therefore the royalties come to the state. The reality is that even though the royalties come to the state, there are goods and services tax implications. I do not think they would be as great as they are for iron ore, because other states have gas, but I am sure they would be significant and that would be a matter for negotiation in the future with the commonwealth. But I am not sure the commonwealth is too keen on being cooperative on these things these days. I recall in 2003 or 2004, when the Barrow Island project act was going through the Parliament, the criticism was that we could not get a better deal out of the Howard government for the state getting royalties out of that. The Howard government was not interested in any sort of arrangement by which the state got some sort of cut or share. This is slightly different because some of the gas is technically in state waters, and it is really a matter of how much we share with the other states. That is something on which we would have to negotiate with the commonwealth, but we have seen its attitude on these things. It is not exactly cooperative.

**Dr M.D. NAHAN:** What is the role of the state in trying to facilitate the various owners of these offshore gas assets to work together to keep North West Shelf going? Some of them are part of the joint venture and some are not, and some of them, even when they are outside the joint venture, do not work too well together. What is the role of the state in trying to facilitate keeping North West Shelf going and the efficient use of those offshore resources?

**Mr M. McGOWAN:** We work cooperatively with Woodside as the managing partner. We obviously have strong relationships with all the other joint venture partners, and it is public knowledge that our view is that the gas should come on shore at North West Shelf. In terms of the other options out there, the Leader of the Opposition might recall there was the option of a floating liquefied natural gas platform, but I think that has gone by the wayside. There was the option of James Price Point, and that has definitely gone by the wayside. The companies have no interest in that. I think it was broadly viewed as a mistake on the part of both the state and federal government, and also a mistake on the part of the companies at that point in time. It cost a lot of money and did not result in any outcome. So the obvious one that was always staring us all in the face was backfilling the gas plant. We are working with the companies, with Woodside in particular, to achieve that outcome, and we will do what is required, as far as we can, to achieve that outcome. It is obviously a commercial investment, so they have to make their decision based upon the commercial imperatives of those companies. But I think there is a strong incentive because they have \$40 billion or \$50 billion invested in Karratha, and keeping that occupied and producing an income for them is a strong commercial incentive. I do not know whether there is anything else there, director general.

**Mr R. Sellers:** No.

**Dr M.D. NAHAN:** Besides talking with them, is there some leverage the government has or will use to make sure they bring those offshore resources through North West Shelf?

**Mr M. McGOWAN:** That is their plan. That is what they want to do.

**Dr M.D. NAHAN:** Woodside does.

**Mr M. McGOWAN:** Yes, but I have not examined taking away leases. That is really not something that we have examined to any great degree. We have tried to work cooperatively with them. The member saw what happened in 2010 when there was basically a very threatening approach with the James Price Point activity, and that was disastrous. So we have worked cooperatively with the companies and we are very hopeful of a positive outcome soon.

[5.40 pm]

**Mr W.R. MARMION:** This requires just a yes or no answer. I understand Browse Basin is outside the current North West Shelf gas fields and I understand the Scarborough field will probably go to Pluto. But let us assume some or all of Scarborough goes to North West Shelf. Can the Premier just say yes or no? Just to clarify my last question, will we get a royalty from the Scarborough field if it goes through the North West Shelf gas field?

**Mr M. McGOWAN:** It is in commonwealth waters.

**Mr W.R. MARMION:** I realise that.

**Mr M. McGOWAN:** We will not get the royalty. Basically, with Gorgon, that has not happened.

**Mr W.R. MARMION:** No, but it is going through the North West Shelf. That is the point.

**Mr M. McGOWAN:** It is going through that processing facility. I will seek Mr Wedgwood's advice, but my understanding is no.

**Mr G. Wedgwood:** To confirm, the answer is no. Scarborough is in the petroleum resource rent tax commonwealth waters area; the North West Shelf would have been, had it not been for the agreement that the state and commonwealth reached; and the bulk of Browse sits in PRRT territory as well.

**Ms M.J. DAVIES:** I refer to page 177 and the key effectiveness indicator "Extent to which State Agreement proponents comply with their reporting obligations and meet the Agreement objectives". My question relates to the state agreement with Woodside and its proposal to build a 700-bed work camp in Karratha. Is it the government's view that that proposal meets the state agreement requirements, bearing in mind that part of that agreement is to provide for the preservation of the welfare and amenity of Karratha when providing suitable accommodation for its workforce?

**Mr M. McGOWAN:** The member has obviously extrapolated that to talk about Bay Village; is that it?

**Ms M.J. DAVIES:** Yes, the 700-bed camp.

**Mr M. McGOWAN:** It is obviously a subject matter that the government is currently in discussion with the companies about. The member would probably be aware of that. That is an ongoing discussion and an outcome has not been reached.

**Ms M.J. DAVIES:** Bearing in mind a requirement of the state agreement is that the company needs to provide for the preservation of the welfare and amenity of Karratha when providing suitable accommodation, would the Premier say that meeting that proposal would meet the objectives of the state agreement?

**Mr M. McGOWAN:** That is pre-empting the outcome of the discussions and I do not want to do that. Obviously, there is some controversy around it and some pros and cons for that option, and what it might mean. As I have said numerous times to the Karratha community and the broader community, our priority is to ensure that Browse gas and Scarborough gas come onshore to ensure longevity of Karratha as a city. That is our number one priority and we do not want to get in the road of that outcome. The other discussions are ongoing.

**Ms M.J. DAVIES:** I do not think that requirement would be alone in that state agreement. There are others that relate to fly in, fly out workforces and others. Does the government have a policy on FIFO; and, if so, where can we find it and what is it?

**Mr M. McGOWAN:** As the member knows, FIFO is a fact of life in Western Australia for many people. Lots of people in regional communities are FIFO workers. I have met FIFO workers who live in Busselton, Bunbury and Albany. There is a big FIFO community in Albany. There is a FIFO community in Broome. Regional communities have FIFO workers the same as Perth does. From memory, around half the mining industry is fly in, fly out and half is located in the areas in which they work. There is some capacity for the industry to do more to put people in the communities in which they work so that people live in those communities. There are a few things I will talk to a few companies about in coming months and a few opportunities there. In terms of outlawing FIFO—I hear that we should outlaw it or whatever—a bunch of mines are in the middle of the desert where there is nowhere to live. A bunch of things of that nature make it impossible for people not to be FIFO workers. I do not want to hamstring the mining industry by saying they cannot do it. Obviously, a process is going on to ensure we protect the mental health and other health-related issues for fly in, fly out workers. I thought that during the mining boom, people working four weeks on, one week off was very hard graft, particularly when the one week off included one day flying either side, so it was only five days off. It was very hard graft for those people. We want to make sure we have high standards of care. It is a process the Minister for Mines and Petroleum is working through to make sure we have that. I do not think the idea that we do not have FIFO is realistic.

**Ms M.J. DAVIES:** That was not the premise of my question. My question was: does the government have a policy on FIFO or is it left for individual departments and the Premier, ministers or cabinet to negotiate on a case-by-case basis, therefore leaving communities at something of a disadvantage?

**Mr M. McGOWAN:** I will let Mr Sellers advise.

**Mr R. Sellers:** A form of the policy, I think, goes to the majority of the member's answer in that the WA Planning Commission resolved to have a policy around applications for fly in, fly out camps. I do not have the detail with

me but it is something like within a certain distance of a large regional centre; the Planning Commission does not want to consider applications for camps outside that. That picks up the Premier's comment about being very remote or somewhere where there are other alternatives.

**Ms M.J. DAVIES:** No-one is suggesting driving into the Nifty mine.

**Mr R. Sellers:** That is right. That is an existing policy within the Planning Commission structure and guidelines.

**The CHAIR:** As an indication, is there an intent to go to the Lotteries Commission?

**Dr M.D. NAHAN:** In the last five minutes.

**Mr D.R. MICHAEL:** I refer to some comments made by Mr Wedgwood earlier about the implementation of the WA industry participation strategy. Can the Premier elaborate on the role of the WA Industry Link and the Industry Link Advisory Service in helping businesses meet the requirements of the strategy and, ultimately, get more government work?

**Mr M. McGOWAN:** Which page?

**Mr D.R. MICHAEL:** It is "Significant Issues Impacting the Agency" at page 174 and the second and third dot points under "Western Australian Jobs".

**Mr M. McGOWAN:** The portal is the central online information source for local businesses and the opportunities available. The government spends \$27 billion annually on procurement across the general government sector and government trading enterprises. Small-to-medium sized enterprises often lack the internal specialised expertise to know whether contracts and opportunities are available in such a large market as government procurement. I was asked about the government's spend and I worked out recently that it is greater than the entirety of the LNG sector and the gold sector together, I think, or it is about the same size, which is quite extraordinary. We want to make sure it is an easier process for SMEs to navigate. The industry link portal addresses this issue and provides detailed information that would otherwise require extensive research or more resources. It provides details on the WA industry participation strategy, including which agencies and contracts the strategy applies to. Once the participation strategy becomes fully operational in October, it will include details of how to develop a participation plan, what is needed in a participation plan and the like. Guidelines are being developed and will be ready for October. The Industry Link Advisory Service received \$4.2 million of funding in last year's budget to enable it to provide that assistance. It will provide businesses with participation plan requirements, work with businesses to pursue import replacement potential, increase business participation in upcoming projects, inform businesses of relevant commonwealth and state business support programs, and identify and report on common feedback and concerns from SMEs and business. As was indicated earlier, each regional development commission has a local content officer and we have nine pilot projects to test the strategy, which include Bunbury Regional Prison, the Casuarina Prison expansion, the Metronet railcar procurement and a bunch of other projects across the state.

[5.50 pm]

**Dr M.D. NAHAN:** I refer to the last dot point on page 174. The commonwealth government has had a \$5 billion Northern Australia Infrastructure Facility for some time, which has altered over time. It states that the department is working with NAIF to identify suitable projects. Have any projects been identified or are there any negotiations? It has state impacts as I think the money has to flow through the state.

**Mr M. McGOWAN:** The Onslow Marine Support Base is the one project. From memory, it is \$16 million or \$17 million. The state is required to be the conduit of any loans under this facility. As I understand it, the Onslow support base is the only project in the entire country.

**Dr M.D. NAHAN:** There is a small one over in Queensland.

**Mr M. McGOWAN:** Is there a small one in Queensland? The advice I had until yesterday was that Onslow supply base was it, with \$16 million. I assume the commonwealth has scores, if not hundreds, of public servants beavering away in Canberra on NAIF, all of which has resulted in one project in WA—the Onslow supply base—with a loan amount of \$16 million, and a small project in Queensland. I have been to a range of NAIF meetings in Canberra and Hobart since I became Premier to discuss this. There has been lots of talk and not much action. At the last meeting I went to, the Prime Minister and Minister Canavan were present. Minister Joyce was outside the room on the phone in constant conversation. The Prime Minister kept saying that Minister Joyce was about to come in but he never arrived. The next time I saw him he was on television announcing his resignation. It was a dramatic day and NAIF was not of much interest to Minister Joyce on that occasion.

I am disappointed in how this has worked. I do not think it has worked particularly effectively. To be honest, I am not even sure it is that wise. If this project has opportunities to benefit Western Australia, we will take them up, but it strikes me as somewhat unusual that the commonwealth is taking this course to be a lender to projects. But if we can secure support for any mining projects and be the conduit for that at no risk to the state, we will obviously do that.

**The appropriation was recommended.**

**Lotteries Commission —**

Mr T.J. Healy, Chair.

Mr M. McGowan, Premier.

Ms S. Hunt, Chief Executive Officer.

Mr J. Hubble, General Manager Corporate Services.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the Leader of the Opposition.

**Dr M.D. NAHAN:** What is the outlook for the profitability of the agency, particularly its ability to sustain its level of contributions to the community?

**Mr M. McGOWAN:** I will answer it generally then ask Ms Hunt to comment. It is not really profitability; it is revenue. It is producing annual revenue in excess of \$800 million. It is expected that that will grow over time but there are some threats to the agency, in particular, from other betting opportunities such as Lottoland. I think a couple of others are out there as well. The real thing that impacts revenue for the agency is totally outside anyone's control—that is, jackpots. If there are not a lot of jackpots, there is a loss of interest in Lotterywest and it does not sell as many products. Strangely enough, jackpots—that is, fewer people winning major prizes over time—results in more revenue for the agency because there is a big prize of \$20 million or \$30 million. I find that bizarre, but that is the way it works. I will hand over to Susan Hunt to add to what I had to say.

**Ms S. Hunt:** As the Premier has alerted us, it is a game of chance and that is indicated in our revenue. Over the last 10 years we have had a compound growth of about 2.7 per cent. Although it dropped to around \$827 million in 2016–17, we are looking good this year despite some of the trends the Premier mentioned. We had fewer jackpots last year and there was a little more pressure in the economic environment so sales were down. The external environment had more competitors in the field so we had a lesser revenue. We are expecting around \$848 million to \$850 million in revenue, which is still growth on the previous year. People in Western Australia are very committed to Lotterywest. We are driving our business around that contribution back to the community and Western Australians are really coming to the party. We are really seeing a strong performance this year despite the constraints in the economic environment.

**Dr M.D. NAHAN:** Is that \$848 million to \$850 million you mentioned a net figure—after your costs and payouts?

**Ms S. Hunt:** That is our gross sales. Last year, for example, \$440 million went to prize winners, so we give back a lot in that context. A sum of \$265 million went to community grants and programs. Some of that is the statutory allocation to the arts, sport, health, Screenwest and the Festival of Perth. Last year that left around \$100 million for discretionary grants, which went directly to communities.

**Mr M. McGOWAN:** On top of that is the payment to agents—their fee of, I think it is, 6.5 per cent—and the administration of Lotterywest.

**Dr M.D. NAHAN:** On page 447 is a line item “Revised Lotterywest Estimates” in the Department of Local Government, Sport and Cultural Industries section, which is a reduction of about \$2.3 million a year. Is that because of a policy decision or fewer net revenue payments?

**Ms S. Hunt:** We are still looking at an increase to the projected revenue to the arts and sports in this financial year. I might ask Mr Hubble to specify that.

**Mr J. Hubble:** I will make reference to the earlier statement that the revenue in the future is highly variable, depending on jackpot sequences, but we are anticipating an increase next year of around 2.5 per cent.

**Dr M.D. NAHAN:** On page 447, revised Lotterywest estimates are negative about \$2.4 million a year.

**Mr J. Hubble:** I am well aware of that statement. The reality is that last year and the year before Lotterywest revised down its forward sales estimates. There has been no change to our estimate in this current budget submission.

**The CHAIR:** That completes the examination of the Lotteries Commission.

*Meeting suspended from 6.00 to 7.00pm*

**Division 25: Western Australia Police Force, \$1 390 768 000 —**

Mr T.J. Healy, Chair.

Mrs M.H. Roberts, Minister for Police.

Mr C. Dawson, Commissioner of Police.

Mr I. Cameron, Acting Commissioner, Road Safety Commission.

Mr S. Brown, Deputy Commissioner, Specialist Services.

Mr J. Candeloro, Acting Chief Finance Officer.

Mr F. Pasquale, Acting Executive Director.

Mr P. Steel, Acting Deputy Commissioner, Operations.

Ms R. Lavell, Director, Human Resources.

Ms T. Milici, Chief Advisor, Specialist Advisory Directorate.

[Witnesses introduced.]

**The CHAIR:** Good evening, members. This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information she agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if the minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for Hillarys.

**Mr P.A. KATSAMBANIS:** Good evening, minister, and everyone else. Thank you for coming along. I refer to page 332 of budget paper No 2 and to police resources generally. What is the current number of sworn police officers employed by WA Police? What are the projections for the number of sworn police officers in each of the years of the forward estimates?

**Mrs M.H. ROBERTS:** The authorised strength for 30 June 2018 is 6 273. That includes police liaison officers.

**Mr P.A. KATSAMBANIS:** What is the estimated strength for the next financial year and the financial years throughout the budget estimates?

**Mrs M.H. ROBERTS:** For 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022, the estimate is the same—6 350.

**Mr P.A. KATSAMBANIS:** At pages 336 and 337 of the budget papers, and specifically in relation to metropolitan policing services, regional remote policing services and specialist policing services, it indicates that between the estimated actual for the financial year that is currently finishing and the financial year that we are coming into, 2018–19, there will be a reduction in employees in each of those three services—about 47 in metropolitan policing, about 25 in regional and remote policing, and about 34 in specialist policing services. How does the minister explain that? Will that be due to a cut in police resources available to combat crime in our community?

**Mrs M.H. ROBERTS:** No, it is not. As the member would be aware, 150 severances are on offer. I am advised that those numbers reflect that reduction. The member will also be aware that we have said that we will backfill those positions and that the last of the 150 new recruits will be brought in by the end of next year, 2019. Therefore, at various points it is anticipated that fewer officers will be available. Having said that, those figures for those regions are indicative only. It is up to the Commissioner of Police to make decisions on an operational basis about where he backfills officers to and what areas are of need and get priority. As officers leave, there will be some numbers down in some areas, not necessarily—this I understand is just from an accounting point of view—that they have just spread out the 150 across a range of areas. In reality, though, the Commissioner of Police will determine on a month-by-month basis where to deploy police officers. I do not know whether the commissioner would like to add to that. Does the member want the Commissioner of Police to comment on it or does he want to ask a further question?

**Mr P.A. KATSAMBANIS:** Yes, please.

**Mr C. Dawson:** My role as commissioner is to ensure that front-line service to the community is maintained. We will be carefully assessing each application for severance to ensure that that workload can be managed. It is my expectation that should an officer elect to take up a voluntary severance, if they are in a front-line role, I will seek to backfill that role to ensure our front-line capability is maintained. We still plan to be at full strength by the end of 2019.

**Mr P.A. KATSAMBANIS:** The figures in the budget do not bear that out. I hear what the commissioner is saying, that he plans to be, but in the absence of further funding, the police will be short by the numbers that I quoted before, based on the budget figures. Where is the difference and where is the money coming from?

**Mrs M.H. ROBERTS:** I am explaining to the member that there are 150 severances and that those 150 positions will be backfilled. What I also said is that they have indicatively been taken from a variety of areas and that by the end of 2019, as the commissioner said, we will be back to full strength. It will be up to him to determine where to deploy those officers. I cannot say it any clearer than that. Again, I ask whether the commissioner wants to add anything.

**Mr C. Dawson:** In terms of the 150, clearly this is an opportunity to meet budget savings. We certainly intend, and have in fact already broadcast an invitation, for officers to nominate should they wish to elect to voluntarily sever their employment. That severance process has already commenced in terms of the applications. They do not close until Friday of this week. We will then make an assessment as to their rank, their positioning and all the circumstances attached to each individual officer. I expect we will do that in tranches of probably 25 officers. We would seek to complete that process by August this year. As we recruit against those and commence the 28-week training period for recruits, we will need to exercise some vacancy control over that period.

[7.10 pm]

**Mr P.A. KATSAMBANIS:** How many police have already accepted these severance packages?

**Mrs M.H. ROBERTS:** At this point, no police have accepted a severance package. The Commissioner of Police just advised that he has put out for expressions of interest. I understand that those expressions of interest close this Friday, so at this stage nobody has yet been accepted for severance. The applications for severance will be due in by Friday and then it will be up to the Commissioner of Police to assess those requests and prioritise them. I can advise that at this stage there is strong interest. I can also say that the Commissioner of Police has asked for those expressions of interest from police up to and including the level of senior sergeant. The member may recall that some very senior officers have taken severance packages over the last five to 10 years, but the commissioner believes that this round of severances are best offered up to and including the level of senior sergeant.

**Mr P.A. KATSAMBANIS:** The minister has indicated that there will be a recruitment process at some point to replace these officers. What changes has the minister made to procedures, particularly vetting procedures, for the recruitment of police in the light of the revelations that Mr Barry Urban provided, at the very least to Parliament, and possibly to the Western Australia Police Force as well—information that was proven to be incorrect?

**Mrs M.H. ROBERTS:** I think the member for Hillarys is drawing a long bow here in order to get up a question that is not really a budget estimates question, but in the interests of good spirit and moving on, I will ask the Commissioner of Police, for the member's elucidation, to talk in general terms about the checks that are made as part of the recruitment process when people make application —

**Mr V.A. CATANIA:** Point of order, Mr Chair. On page 333 of budget paper No 2, the fourth dot point clearly refers to the recruitment, retention and development of a diverse workforce committed to a positive and inclusive culture with high ethical standards. I think that is what the member is relating to—that it is in the budget.

**Mr P.A. KATSAMBANIS:** Yes, I could have made the correct reference.

**The CHAIR:** Thank you. The minister is answering the question and will refer it to the commissioner in a moment.

**Mrs M.H. ROBERTS:** We all well know that the line items are about the numbers of people being recruited and so forth. I was outlining that I am more than happy for the Commissioner of Police to enlighten the house in general terms as to the checks the police undertake in respect of recruitment. The long bow the member for Hillarys drew was in making an analogy about the former member for Darling Range. All members are aware that there is currently a police investigation into the former member for Darling Range, and I do not think it is appropriate for us to pre-empt that investigation or any charges that may arise from it. I do however think it is appropriate for the Commissioner of Police to provide information to the house in respect of the probity checks police make when people make an application to join the Western Australia Police Force.

**Mr C. Dawson:** I can advise the house that on application by a prospective recruit, there is an initial integrity check that comprises what members would expect—a criminal record check or any holdings we may have by way of criminal intelligence. The process flows to a police entrance exam, which sets out some of the essential selection criteria. That also includes visual acuity assessments. We then ask applicants to go through a psychological

assessment by a clinician. They are also required to undertake a physical performance process, followed by a panel interview to assess suitability for the role. That may include reference checks as well. The process then flows through to a review panel to review all the prior steps through the process. We then conduct a final integrity check. Other final assessments include health assessments, fingerprints, DNA and bankruptcy holdings et cetera. The process then flows through, if successful, to a selection pool. The process takes quite a few months and applicants are required to fill out forms and produce any other documentation required.

**Mr V.A. CATANIA:** With regard to police officers from countries overseas such as the UK, Ireland or wherever who are currently serving officers who want to come to Western Australia to join the Western Australia Police Force, is there a different vetting process?

**Mrs M.H. ROBERTS:** There are two different categories. One is people who might apply from another jurisdiction, people who might be currently serving officers in Ireland or the UK, or they may be people who were formerly police officers who have come to live in Western Australia, perhaps for other employment, and then have determined that they want to return to a policing role. Clearly, those in the latter category are subject to the same process as any other Western Australian, and similar checks are made on those who apply directly from the UK, Ireland, New Zealand or wherever. I also know that in a recent recruit school there were applicants from other Australian jurisdictions. In order to fully satisfy the member, I will ask the commissioner to provide any further advice.

**Mr C. Dawson:** As the minister has outlined, the process varies slightly. If they are currently employed by a police force in another jurisdiction or another country, clearly we have an opportunity to go direct to the current employer, but the checks and balances remain the same. One difference is that if they are residents of another country, they have to fall within the criteria of a labour agreement that we have signed with the Department of Immigration and Border Protection. They must meet the normal immigration requirements in addition to the other requirements. Of course, people who have already migrated to Australia do not have to jump through that particular hoop. With regard to integrity, yes, we check the bona fides of former or current police officers.

**Mr V.A. CATANIA:** Further to that question, what checks are undergone by currently serving police officers who transfer from places like the UK to come here to join the Western Australia Police Force? What is the difference between a currently serving police officer from overseas and someone who has never previously been a police officer anywhere but who lives in Western Australia? Are there different checks?

**Mrs M.H. ROBERTS:** I will ask Renae Lavell, director of human resources, to respond.

[7.20 pm]

**Ms R. Lavell:** The only additional check that the international applicants would have, as the commissioner has already explained, is that we check the professional standards areas of their existing jurisdiction. Otherwise, the internal Western Australian checks are very much the same—the same sorts of criminal and traffic infringement checks—but they also have visa requirements for the country and they would have had checks there as well. I suppose there is also the overseas requirement that any applicant from Australia or the United Kingdom would have in terms of their security clearance for entry into the WA Police Force. The main difference between the two is that there are holdings within their existing jurisdiction that we can access.

**Mrs M.H. ROBERTS:** I might just add that, if anything, there is a higher level of checking, because police are able to access holdings from those overseas police forces.

**Mr V.A. CATANIA:** Can you explain what holdings are?

**Mrs M.H. ROBERTS:** They are holdings in terms of their personnel files, so any record of misconduct, for example, in their former employment. Agreements are in place with other policing jurisdictions in the United Kingdom, New Zealand and other Australian state police forces, for example, under which they share their intelligence holdings or any information that they have on that employee. That needs to be in an agreement between all jurisdictions. Of course, WA police would provide the same information to the relevant police forces on someone from Western Australia who perhaps wants to be a police officer in New Zealand or New South Wales, because nobody wants to see “bad apples” go from police force to police force.

**Mr P.A. KATSAMBANIS:** I think we have veered away from the intent of the question; it really is about ensuring that recruits have those high ethical standards that are spelt out on page 333 of budget paper No 2. If a potential recruit presents and makes a series of claims about academic or training qualifications, does the WA Police Force accept those claims at face value or does it in some way investigate, interrogate or require further and better particulars? What changes have been made to procedures in light of the recent public evidence around people potentially making claims about their academic qualifications and past that may not be true?

**Mrs M.H. ROBERTS:** As I advised a moment ago, an investigation is currently underway with respect to what occurred with the recruitment of the member for Darling Range, but one would anticipate that as part of the general process that some authentication of things like degrees and whatever needs to be provided. It is not appropriate to comment on the specifics of the former member for Darling Range.

**Mr P.A. KATSAMBANIS:** We are not asking for specifics.

**The CHAIR:** Members!

**Mrs M.H. ROBERTS:** If you wait until I finish my answer.

**The CHAIR:** Minister, I want to clarify something as well. This estimates committee hearing is a glorious exercise in parliamentary democracy. Please allow the minister to answer questions, and I will not allow anyone to interrupt when members ask their questions. The minister is currently answering the question. I am happy to take a follow-up question, but at the moment the minister will please continue her answer.

**Mrs M.H. ROBERTS:** It would be fairly logical to assume that police would be just as concerned as the member or anyone else; no doubt, they would be more concerned that somebody with false qualifications could be recruited to the Western Australia Police Force. Clearly, the matter of how the former member for Darling Range became a member of the WA Police Force and what was or was not presented as part of that application is something that is currently under police investigation.

I would also add that in light of anything learnt as part of that process, of course, WA police will look to see whether its vetting processes could be improved. To be eligible to apply for a position as a police officer, people have to fulfil quite a number of prerequisites; for example, they have to be 18 years of age, an Australian or New Zealand citizen or permanent resident of Australia; and they have to hold a manual or C-class motor driver's licence or the equivalent and all their documents, with the exception of the Western Australian motor driver's licence, which must be certified by a person listed under the Statutory Declarations Regulations 1993. That is the kind of authentication that we are talking about.

**Mr V.A. CATANIA:** And they need to have high ethical standards.

**Mrs M.H. ROBERTS:** Yes, that is right. I would anticipate that the vast majority of the time police get it right. I think to comment further would be to potentially prejudice potential charges. I do not think the member would want to prejudice any potential criminal actions. That is something the member needs to think about. Although no charges have been laid at the present, there is potential for them to be laid in the future, and so the member might reflect on any further commentary.

**Mr P.A. KATSAMBANIS:** Has there been any action, or is there any intention to take action, to audit claims made by currently serving Western Australian police officers about their academic or training qualifications, or other qualifications that may not necessarily be directly relevant to the job? The commissioner and I have recently had that chat in another forum. Qualifications in themselves may not be relevant to the job—if a person trains to be an astronaut at NASA, it may not help them to become a policeperson—however, it does go to a person's integrity and those high ethical standards. Is there any intention, based on information that is publicly available at the moment, to look at existing officers to see whether there are any other issues or anomalies that may arise?

**Mrs M.H. ROBERTS:** I think WA Police Force would generally consider that it has quite high vetting standards and the Commissioner of Police has outlined the process that potential recruits go through in order to be selected. It is generally regarded as being quite a rigorous process. It is also in line with the processes undertaken in other similar jurisdictions—be they interstate, New Zealand or the UK, which are comparable jurisdictions. Our standards in terms of vetting and the requirements for selection are very similar to those of other comparable jurisdictions. There may well be lessons learnt as a result of what has occurred with the former member for Darling Range. If there are, they will be acted upon. The only thing further I would add is that in terms of any retrospective checking, the Western Australia Police Force has been around for over 100 years and we have encountered very few issues in that recruitment process. I would like to think that this is a one-off, but I will ask the commissioner whether he would like to comment further about any processes that he has put in place to check on the background of any of our existing officers.

**Mr C. Dawson:** In respect of applications, clearly there is an opportunity for an applicant to provide any additional documentation of higher education degrees et cetera or, indeed, other vocational qualifications. Each and every document that is submitted is required to be attested by a justice of the peace or someone under the relevant legislation, such as the Statutory Declarations Regulations. In that sense, there is a validation by a justice of the peace or a similar notary authenticating the legitimacy of any document that is submitted. Obviously criminal penalties apply to either the person attesting or a person who utters something under that sort of legislation. It is not the case that police presently require every single document to be vetted by the issuing authority. I employ well over 8 000 employees and, in addition to that, contractors. We obviously have a number of integrity processes that take place outside of attested documents. There are other matters underway which, with respect, I would probably close my answer off with what I have just said.

[7.30 pm]

**Mr V.A. CATANIA:** So if a new police officer who is being recruited by the Western Australia Police Force has put forward their curriculum vitae with degrees from other parts of the world, are those qualifications being tested or checked now to see if they are legitimate? Unfortunately one person has put in question the integrity of the

whole process. There are always one or two bad apples. Is there now any change to the regime in looking at new employees to say who they are, to ensure that they are the right person applying for the job? Has Western Australia Police Force changed its practices?

**Mrs M.H. ROBERTS:** As the commissioner just pointed out, if somebody puts down a false qualification, for example, or attests to have a degree that they do not have, the consequences or the penalties are significant for doing that. Generally, that should serve as an incredible deterrent. With the other processes that occur, such as the psychological testing and other background checks, if there is any cause for doubt, I expect those checks are currently done. As has also been advised by the Commissioner of Police, people need to provide statutory declarations. They have to be signed off saying it is a true and correct copy, or whatever, from a commissioner for declarations or a JP so that those checks and balances are there. There are criminal penalties for anybody who provides misleading information as part of that statutory declaration. For the vast majority of people, that is enough. I have already said that police are reviewing their processes in light of any lessons learnt from that recent issue. I have confidence in the Commissioner of Police to oversee any changes that he considers appropriate.

**The CHAIR:** Before I give the call to the member for North West Central to ask a further question, I observe that we have spent 32 minutes on this one question.

**Mr V.A. CATANIA:** The minister said that each piece of paper that is given to the police upon application to become a police officer for the Western Australia Police Force is signed off by a JP. Does the minister think it is fair and reasonable that JPs have the resources to check the documentation that is presented in front of them and to ring up the universities and ask whether that person actually has received a degree in whatever it may be? Given the fact that being a police officer is a very important role and we want to ensure that that person upholds the law themselves, or the fact that these days we have terrorist —

**Mrs M.H. ROBERTS:** Can I just ask whether the member is asking for an opinion or not?

**Mr V.A. CATANIA:** I am finishing the question.

**Mrs M.H. ROBERTS:** The member started his question with, “Do you think”.

**The CHAIR:** Member, can you finish your question so the minister can answer.

**Mr V.A. CATANIA:** Given the fact that terrorism is running rife, relying on a JP to certify a document, given how integral police officers are in this state, this country and around the world, does the minister think it is appropriate for that just to be the check and balance of a document for the police force?

**Mrs M.H. ROBERTS:** To suggest that we are just relying on a JP for authentication is misleading and it is not a statement that I accept. I would ask the Commissioner of Police whether he wants to give any further response to what is effectively the same question.

**Mr C. Dawson:** As I outlined earlier, there are quite a number of processes and checks and balances, including two integrity steps that we take to also include character references et cetera, in addition to criminal and criminal intelligence holdings. In regards to the actual production of documents—that is, applications—I actually suspended recruit applications from early this year until 30 June as we have sufficient applications on foot that are presently being assessed. No new recruits presently are being added to the queue, if I might characterise it that way, but clearly there is another matter on foot, and as the minister and I have responded, a review is underway.

**Mr V.A. CATANIA:** I refer to page 332 in volume 2 of budget paper No 2 and the line item “Regional Workers Incentive Allowance Payments”. I note that the estimated actual for 2017–18 is \$285 000 and that, after that, there are no more allocations for regional workers’ incentive allowance payments. Can the minister elaborate why that is the case?

**Mrs M.H. ROBERTS:** The regional workers’ incentive allowance payment, otherwise known as the district allowance, is an additional payment made to government employees deployed in regional locations to cover higher cost-of-living expenses compared with those in the metropolitan area. The Department of Primary Industries and Regional Development has allocated royalties for regions funds to WA Police Force to partially fund district allowance payments every year. The public sector labour relations—that is the Department of Mines, Industry Regulation and Safety—coordinates an annual census to monitor the district allowance usage and realigns to a limit set by the Australian Taxation Office. In 2017–18, WA Police Force was funded \$2.212 million in base funding. At the conclusion of the 2017–18 district allowance census, WA Police Force received additional funding of \$285 000. The government, via the royalties for regions fund, has committed \$2.212 million in the forward estimates to ensure that this valued program continues.

**Mr V.A. CATANIA:** So it is still being received by police officers?

**Mrs M.H. ROBERTS:** Yes.

**Mr V.A. CATANIA:** Has the amount decreased over time or does it remain the same?

**Mrs M.H. ROBERTS:** It remains the same.

**Mr P.A. KATSAMBANIS:** I refer to “Specialist Policing Services” on page 337 of budget paper No 2. The description states that it includes sex crime and the sex offender management squad. Could the minister or one of the officers tell me how many staff are currently within the sex offender management squad and what is the projection for the numbers over the years of the forward estimates?

**Mrs M.H. ROBERTS:** I will ask the Commissioner of Police to provide advice.

[7.40 pm]

**Mr C. Dawson:** The sex crime division within the crime specialist portfolio is basically split into a number of different areas. One area is the serious sex offender management squad, which looks after, monitors and investigates dangerous sex offenders. There is a separate area that is aligned within the same division that is responsible for the monitoring and policing of reportable sex offenders. Then there is also a child sex abuse squad. It obviously concentrates on the victims and the perpetrators alleged to have committed child sex offences. We also have an area that looks at adult sex crime matters. That is complemented by district detectives, both in the metropolitan and regional areas. I do not have a specific number of allocated staff, be they detectives, analysts or administrative support staff, but I would add they are always and often in a joint arrangement with other Western Australia Police Force members, and indeed we also have cooperation with the Australian Federal Police, the Department of Communities and child protection workers in a joint arrangement, so we have trained counsellors to assist. In addition to that, we have also co-located in Armadale at the George Jones Child Advocacy Centre, in an arrangement with non-government organisations to be a one-stop shop facility. I do not have the specific full-time equivalents for each of those specific areas with me tonight.

**Mr P.A. KATSAMBANIS:** Is it possible to provide that information on notice or as supplementary information, and if possible broken down by those subsets that the commissioner described?

**Mrs M.H. ROBERTS:** No, I do not accept that as a supplementary question. The broad FTE numbers are listed in these budget papers. If the member wants information more specific than that, he can try to put the question on notice. I will have a look back at past practices to see what generally has or has not been provided to the Parliament.

**Mr P.A. KATSAMBANIS:** Certainly past practice has been to have that provided. If the minister will not provide it, we will use other forums to get it. Just in the same area of monitoring sex offenders, we have seen some media publicity in the last few days about —

**DR A.D. BUTI:** I have a point of order. Is this a further question?

**Mr P.A. KATSAMBANIS:** Yes, this is a further question on the resourcing of this area. We have seen media publicity in the last few days that in other states and the Northern Territory there have been some issues about monitoring dangerous sex offenders, not because of any failure of policing, but because of failure of technology. Have we had any evidence that such an occurrence has also happened in Western Australia? Are we certain that we can avoid the problems that they have in other states?

**Mrs M.H. ROBERTS:** I think that the member is getting away from the purpose of budget estimates. He is utilising a term under a broad heading to then ask very general questions that really are not of a budgetary nature. I question the practice and even question whether the opposition is getting full value out of the budget estimates process by doing that. It seems that the member is more interested in asking questions about —

**Mr P.A. KATSAMBANIS:** Protecting our community.

**The CHAIR:** Member!

**Mrs M.H. ROBERTS:** — trying to draw on some headline from another state or whatever he has heard in the paper about —

**Mr P.A. KATSAMBANIS:** Protecting our community.

**The CHAIR:** Member, the minister is answering a question. You are free to ask a follow-up question after this.

**Mrs M.H. ROBERTS:** He has read in the paper about an incident that has occurred in other states and issues with technology that they have had in another state. The advice I have received is that WA police have not had any issues with technology.

**Dr A.D. BUTI:** I refer to page 339 of the *Budget Statements*.

**Mr S.A. MILLMAN:** Good!

**Dr A.D. BUTI:** I think this is estimates, is it not? Yes, that is right. Under new works I refer to —

**Mr P.A. KATSAMBANIS:** You are better than this.

**The CHAIR:** Members! Can the member please ask the question again. Members, please be quiet whilst the member is asking the question.

**Dr A.D. BUTI:** I refer to new works on page 339 of the *Budget Statements* and specifically the \$73.69 million funding for the Armadale courthouse and police complex for 2018–19 in the forward estimates.

**Mrs M.H. ROBERTS:** I thought the member might ask about that!

**Dr A.D. BUTI:** Can the minister please provide an update of the planning stage and the benefits for the Armadale community and surrounding suburbs?

**Mrs M.H. ROBERTS:** I certainly can. I acknowledge the member for Armadale's very long campaign for a new police station as part of the justice complex in Armadale. I also acknowledge his very long campaign to have a 24-hour police station in Armadale, which effectively gives Armadale the same status as many other significant metropolitan regional centres such as Midland, Joondalup, Fremantle and the like. I think it was long overdue that Armadale was recognised in the area. We also know that in the south east metropolitan region Cannington has borne a very big load over time, and it has been the busiest of all of our metropolitan police districts over a very long time. I think having the two separated is going to be significant. It comes at a pretty ideal time for Armadale, as we deliver the new police and justice complex at a cost of \$73.69 million. That money is allocated, as the member can see from the budget papers, over 2018–19 through to 2021–22. That will replace the existing Armadale Police Station. It will be fit for purpose. It will have phenomenally enhanced functionality and capacity. We are building a facility to cater for up to 315 officers and staff, and I note that they currently have a complement of over 200. We expect that over 200 officers will be consolidated in that new site from pretty much day one that it is open, but there will be the capacity to house up to 315 officers there. A section of the courthouse will be two storeys, and there will be a redesign of the shared custody facility so we can improve flexibility for WA police and the Department of Justice. It will significantly reduce the distance that charged persons will need to travel between the police station and the justice complex. Construction on that new facility is planned to start in 2018–19. It will service the whole region. I know those areas in neighbouring electorates, not just the member for Armadale's electorate, will benefit from it, including suburbs such as Camillo and even Byford and so forth. They will have a regional police district complex nearer than they had when the nearest one used to be Cannington. This will be a very much enhanced service to the member for Armadale's local community. I also note that his community has benefited from the new metropolitan policing changes that have occurred, through which we now have eight metropolitan districts. The member effectively has his own district now in Armadale. I understand they will be effective from July this year. This signifies a really big step forward in policing in the whole Armadale region and the surrounding suburbs, where there is a whole confluence coming together of the new police station and justice complex, plus the 24/7 we have already put in place. In addition to that, there is the separation of Armadale as its own policing district. I am really looking forward to us being able to service not just the member for Armadale's electorate but also neighbouring electorates with this fantastic new facility.

**Mr V.A. CATANIA:** That is a very good announcement for the member for Armadale, but unfortunately, when it comes to the second line item, "Regional and Remote Policing Services", under the service summary heading on page 334 of the *Budget Statements*, I note the announcement of the closure of the Dampier water police recently. How much of a saving for the police force resulted from the decision to close down Dampier water police? How many full-time equivalents have been moved from the Dampier water police to other locations? Where is the closest water police that the north west of Western Australia has?

[7.50 pm]

**Mrs M.H. ROBERTS:** There are a number of questions there. I have already advised the member and his colleagues that five FTEs were located at the north west water police, and I think the member has asked me a question about that number previously in the house. With the closure of the north west water police, the Police Force has estimated savings of \$13.58 million. This is inclusive of \$2.53 million recurrent over the forward estimates that can be redirected to other demands, and \$11 million in capital potentially required to replace the PV *Delphinus*. In addition, sales revenue of between \$0.25 million and \$0.6 million is estimated from the sale of the PV *Delphinus*. As for the location of the nearest water police, members will know that the Western Australian water police are located in Fremantle.

**Mr V.A. CATANIA:** Given that the resources have now been taken away through cost savings for regional policing through the Dampier water police, who does the police force now rely on if there is an emergency or situation on the waterways in the north west?

**Mrs M.H. ROBERTS:** I will ask Commissioner Dawson to add to this in a moment, but it was determined that more effective measures were available to deal with issues that might arise in the north west, and that our air wing was potentially better able to provide appropriate service. The issue was that the PV *Delphinus* was spending more time in dry dock under repair than actually on active duty, and there is also the matter of federal responsibility for federal waters. It is not for Western Australia to effectively sponsor what the federal government should be doing to protect our coastline and federal waters. I will ask Commissioner Dawson to speak more to the specifics of how that area will be policed with the air wing and other resources.

**Mr C. Dawson:** In addition to the material that the minister has provided, the PV *Delphinus*, although it was operated out of the Dampier port, had limited capability. It could not rapidly respond. Personnel based at Dampier did not have the requisite boarding training, or indeed counterterrorism training, to the extent required. The state

navigable waters are three nautical miles. As the member will be aware, some critical infrastructure is beyond state territorial waters. The key responsibility for that is primarily with the commonwealth. We have a healthy relationship with the Australian Border Force and the Australian Defence Force. Their assets retain primacy for areas outside state navigable waters, and our relationship with them is conducted through joint operations. By way of example, the recent record seizure of nearly 1.3 tonnes of crystal methamphetamine was a joint operation. As the minister has already alluded to, the PV *Delphinus* is an aged vessel, indeed an ex-customs vessel nearly 30 years old, and it was not fit for active service for counterterrorism, et cetera, but air assets are utilised by both Western Australia Police Force and by various commonwealth agencies. We have ongoing joint operations with the Australian Defence Force and the Australian Border Force, and they will continue. One of the areas is the joint organised crime task force, which is operating very well in this jurisdiction. We also have arrangements through the Australia–New Zealand Counter-Terrorism Committee, of which Deputy Commissioner Brown is a representative. Given that he has responsibility, he may want to add further information.

**Mrs M.H. ROBERTS:** Deputy Commissioner Brown, do you want to add something further?

**Mr S. Brown:** I think the commissioner has covered it off, but in addition to what he and the minister have said, local sea search and rescue right around the coast of Western Australia is predominantly undertaken, for the day-to-day safety of people using vessels, by volunteers, who have a vast amount of resources that we coordinate from a search and rescue perspective. The day-to-day safety, from this point onwards, of boating enthusiasts in the Dampier area will be managed in a similar way as it is in Broome, Carnarvon and other coastal ports around Western Australia.

**Mr V.A. CATANIA:** Given that the government is taking away that asset for not only Dampier but also the north west, all the way down to Exmouth, will the government be relying more on volunteer sea rescue personnel and their equipment in a time of emergency—for example, the incident with the helicopter that unfortunately sank in the sea off the coast of Dampier? Will the government be relying more and more on volunteers to cover the ocean?

**Mrs M.H. ROBERTS:** The fact of the matter is that police have done only limited operations and assistance with sea search and rescue utilising the PV *Delphinus*, and it has been less and less available in recent years. There are excellent sea search and rescue volunteers up and down our northern coast, especially in areas such as Exmouth, as I understand it, so they will continue to carry out their role. That will be complemented, where appropriate, with police air wing resources. Given the amount of actual activity undertaken by the *Delphinus* in recent years, keep in mind that it was slated to be discontinued about seven or eight years ago. Former Commissioner O’Callaghan announced that that was happening, and then after some lobbying there was a backflip on that and police continued with the *Delphinus*, knowing full well that it would provide some form of budget black hole into the future, and knowing that the same activities could be undertaken with a more effective use of resources. Given that, I suppose the point is that the former government did not actually plan to replace the *Delphinus*. It did not put any money in the budget to replace the *Delphinus*.

**Mr V.A. CATANIA:** The government has now taken it all away.

**Mrs M.H. ROBERTS:** The previous government had been planning to take it away.

**Mr V.A. CATANIA:** The present government has taken it away.

**Mrs M.H. ROBERTS:** The government kept limping it along from year to year without any money in the forward estimates for its replacement, knowing full well it was a second-hand boat when it was purchased, that it was nearing the end of its useful life —

**Mr V.A. CATANIA:** Why is the present government not replacing it?

**The CHAIR:** Member, please allow the minister to finish her answer.

[8.00 pm]

**Mrs M.H. ROBERTS:** It was being deployed less and less of the time.

**Mr V.A. CATANIA:** I have a point of order. My question was: is this going to put pressure on the volunteer sea rescue personnel?

**The CHAIR:** Your point of order is that the minister is not answering the question. She is finishing her answer.

**Mrs M.H. ROBERTS:** The context I am putting it in is that the *Delphinus* has not been the best use of resource for a considerable time.

**Mr V.A. CATANIA:** So now volunteers have to wear the burden.

**The CHAIR:** Member!

**Mrs M.H. ROBERTS:** The former government limped it along year in, year out without putting money on budget for its ultimate replacement.

**Mr V.A. CATANIA:** And now this government has taken it away.

**Mrs M.H. ROBERTS:** As the member knows, the former government not only racked up billions of dollars in state debt, but also did not put in the forward estimates any money for a replacement. There was no plan by the former government to replace it. I anticipate that it would have made exactly the same decision. When governments have to be financially responsible, they have to expend taxpayers' dollars in the most effective way possible. Governments are not able to justify purchasing a new boat, and the expenditure of that money, as the best use of the taxpayers' resource. The Commissioner of Police and I have explained that the *Delphinus* has been providing a very limited benefit in the region over recent years. Some of its work can be more effectively done by the police air wing. We have also advised that it plays a very limited role in supporting sea search and rescue. It is the lead agency. It is effectively a commonwealth responsibility in international waters. I can understand that the member, as the member for the region that he is the member for, does not like to see resources taken out of his region. The biggest resource that the member has had in the region is five serving police officers who will be redeployed to the front line. Some of them potentially can be redeployed to other parts of regional Western Australia.

**Mr V.A. CATANIA:** The government's funding is reliant on the fact that there is a debt and it is taking away from the regions to pay that debt. It is taking away \$13.58 million from frontline policing in regional Western Australia. No? Has the minister increased the resources for the police air wing to take up the gap in frontline policing in the water police in the north west?

**Mrs M.H. ROBERTS:** We have just had a bit of a misrepresentation from the member. He said that we are taking away \$13.5 million. Of course that is nonsense. When I started to answer this question, I explained to the member that that is the potential savings across the police budget. If we were to continue with that north west base, we would have to buy a new boat, and we do not have \$11 million worth of capital to buy a new boat.

**Mr V.A. CATANIA:** It was the government's own \$13.58 million in savings.

**The CHAIR:** Member!

**Mrs M.H. ROBERTS:** We have not committed to spending \$11 million on a new boat and the former government did not commit to doing that even though —

**Mr V.A. CATANIA:** It did not close it down.

**The CHAIR:** Member!

**Mrs M.H. ROBERTS:** — the issues were pointed out to the former government year in, year out. The *Delphinus* has effectively been on the ropes for quite a number of years. There is no money in the forward estimates.

**Mr V.A. CATANIA:** Answer my question about the police air wing. Has the minister increased the resources?

**Dr A.D. BUTI:** They spent the money on musical toilets.

**The CHAIR:** Member! Member for Armadale, thank you.

**Mrs M.H. ROBERTS:** I will give the member a comprehensive answer to his question.

There was no money in the forward estimates for a new boat; nor was there any money in the forward estimates for the —

**Mr V.A. CATANIA:** The minister is in government. This is her budget.

**The CHAIR:** Member! You can ask another follow-up question in a moment. The minister is answering your question.

**Mrs M.H. ROBERTS:** Nor was there any additional money for the police air wing on budget. There was no money for a new helicopter or new planes—none of that.

**Mr V.A. CATANIA:** Because we had a boat.

**The CHAIR:** Member!

**Mrs M.H. ROBERTS:** Clearly, it is not a viable option to keep the *Delphinus* limping along, as the former government did in recent years. The only solution is to either buy a new boat or close it down. The former government had no money on budget to buy a new boat; therefore, it was going to close it down. The member's question to me is: have we increased funding for the air wing as a result of this? Again, I am pointing out that the former coalition government put no extra money on budget for new planes or helicopters. What I do note, and I am happy to speak to, is that we have put money on budget for a new police helicopter.

**Mr V.A. CATANIA:** To be based in the north west?

**The CHAIR:** Member!

**Mrs M.H. ROBERTS:** The member continues to interject. He asked me whether or not we have put any additional money on budget for the air wing. I am advising him that we have. We have put \$26.9 million on budget towards the helicopter replacement in 2018–19.

**Mr V.A. CATANIA:** Where is that based?

**The CHAIR:** Member, you can ask a follow-up question in a moment. She is answering the question.

**Mrs M.H. ROBERTS:** Just as the former government did with the *Delphinus*, it left us with a decrepit ageing helicopter, which it was asked to replace a couple of years ago. Again, it put no money in the forward estimates to replace that helicopter. I find it a little cute that the member is now complaining after it had eight and a half years to fund these things. It could have bought a new boat with royalties for regions money. Why did it not buy a new boat a year or two ago? Why did it not buy a new boat when it first came to government? The member has advised tonight that the *Delphinus* was first earmarked for discontinuance in 2007. I note that the former government was elected in September 2008. It had eight budgets in which it could have bought a brand-new boat. Had it spent that \$10 million or \$11 million five, six or seven years ago, when we arrived in government we would have had a boat that was viable and could have continued. It left a black hole, with no money in the forward estimates and no money to buy a new boat. It left the north west base in disarray. On top of that, it left us with a huge hole.

**Mr V.A. CATANIA:** I have a point of order. The minister has not answered the question. I asked specifically about the resources of the air wing.

**The CHAIR:** The point of order is that the minister is not answering the question. Minister, we do seek to have short and prompt answers. Please answer the question.

**Mrs M.H. ROBERTS:** Excellent. The member has asked me about the air wing. He specifically asked me whether or not we had any additional money for the air wing. It is hardly my fault if he does not ask the question that he wants to ask and then rephrases his question by way of interjection, which he has been asked by you, Mr Chair, not to do. What I would note about the air wing that is available to the north west is that the last time I was Minister for Police, I ordered two Pilatus aircraft —

**Mr V.A. CATANIA:** I have a point of order. The minister is wasting time and not answering the question.

**Mrs M.H. ROBERTS:** I am answering the question.

**The CHAIR:** I think your point of order is that the minister is not answering the question.

**Mrs M.H. ROBERTS:** One of those aircraft is based at Karratha. The member is asking me what resources are available to the north west. What is available in the north west is the Pilatus aircraft that the former Labor government purchased.

**Mr V.A. CATANIA:** The minister is now embarrassing herself. Just quickly wind it up.

**The CHAIR:** Member!

[8.10 pm]

**Mrs M.H. ROBERTS:** The Pilatus aircraft is based in Karratha and it is regularly deployed on search and rescue operations across the north west.

**Mr V.A. CATANIA:** The minister stated in her media statement on the closure of the Dampier water police that the air wing was going to take over the role of the Dampier water police. I specifically asked the minister what extra resources have been put into the police air wing to cover what she said the Dampier water police has been doing. The minister also stated in her answer to my previous question that there is a new helicopter. Where is that new helicopter based? Is it based in Perth, Dampier or somewhere in the north west? Can the minister please enlighten me on the new resources that have been put in to cover the Dampier water police?

**The CHAIR:** I am conscious there were a couple of questions in that. Minister, if you can please respond but I am conscious of the time we have spent on this question.

**Mrs M.H. ROBERTS:** As I have outlined, I think now repetitively, there has been very little deployment of the PV *Delphinus*. It has done comparatively little operational work. In fact, the PV *Delphinus* has spent 78 per cent of its time in dry dock and maintenance.

**Mr V.A. CATANIA:** I have a point of order.

**Mrs M.H. ROBERTS:** I am answering his question.

**The CHAIR:** Sorry, minister. The member has a point of order.

**Mr V.A. CATANIA:** The minister is clearly not answering the question. I have asked about the police air wing and the helicopter, not the *Delphinus*.

**The CHAIR:** Member, you have asked a question. The standing orders are very clear regarding estimates. The minister is providing a response. You may ask follow-up questions but the minister is providing a response.

**Mrs M.H. ROBERTS:** My point is simply that the *Delphinus* has spent 78 per cent of its time in dry dock and maintenance. It has spent a very small amount of its time on deployment. The Commissioner of Police and Western Australia Police Force advise that they are able to cover those operations with their air wing response. I have noted that we have a Pilatus aircraft based in Karratha, which is regularly deployed to do those duties, and they are capable.

**Mr V.A. CATANIA:** What about the helicopter you referred to?

**The CHAIR:** Thank you, member.

**Mrs M.H. ROBERTS:** The member asked me whether we had any additional resources for the air wing. I am happy to tell him more about the helicopter but both the police helicopters and other parts of the police air wing are based at Jandakot.

**Mr P.A. KATSAMBANIS:** I refer to new works on page 339 of budget paper No 2. Under the road trauma trust account, some funding is allocated for a “Breath and Drug Bus Replacement.” Can the minister outline how many breath and drug testing buses will be replaced under this program? Can the minister also indicate whether those buses will be able to test for both alcohol and drugs, or will separate buses test for alcohol and drugs?

**Mrs M.H. ROBERTS:** Our existing fleet has four large mobile breath-testing buses with existing staffing. They are generally staffed with a sergeant, four senior constables and 10 probationary officers per bus. What is proposed for the future is that we will have three large mobile breath-testing buses with existing staffing and we will have two new buses, which the member is asking me about. They will be medium-sized mobile police facilities. They will be staffed with seven officers per bus: one sergeant, two senior constables and four probationary officers. As is normally the case, they will do both breath testing and drug testing. We will significantly increase the amount of both breath testing and drug testing.

**Mr P.A. KATSAMBANIS:** From the minister’s answer, I understand that a bus is currently on the road that will no longer be on the road at some point once this program is implemented. Is there any possibility that that bus could remain on the road to ensure that we have even more resources out there to combat drug-driving and alcohol-impaired driving, or has the bus simply reach the term of its natural life?

**Mrs M.H. ROBERTS:** We have determined to go with the two new medium-sized buses because we think that they will give us greater flexibility and provide a better model moving forward. I will ask Deputy Commissioner Brown if he would like to respond any further regarding the retiring bus.

**Mr S. Brown:** The large bus the member referred to is reaching its end of life and, simply, into the next year or so, will not be roadworthy. The member can imagine that these buses get a lot of use with a large contingent of police officers upon them. The other advantage in moving to smaller buses is that they will give us greater penetration into regional Western Australia and across the metropolitan area. It is quite a logistical challenge, at times, to get a large bus all the way out to Kalgoorlie in a timely manner to be able to deploy it and then move on to the next town.

**Mr P.A. KATSAMBANIS:** I note there is no current funding, but is there any intention in the future to replace all the remaining large buses with these more nimble, medium-sized buses, or is it the intention that there will always be a mix of the large and smaller buses?

**Mrs M.H. ROBERTS:** I will get the member some further advice on that from Deputy Commissioner Brown in a moment but my understanding is that we are keen to try the new, smaller buses. We think they will be very effective. There may still be a need for the larger buses in some metropolitan locations. We certainly think it will be a good mix for the next few years. Regarding the longer term intentions, I will ask Deputy Commissioner Brown whether he has anything to add.

**Mr S. Brown:** At this point, we will test and then evaluate the new operating model of two large and two medium-sized buses. We think that will probably give us the best balance of large volumes, particularly in the metropolitan area, and being able to block off large sections of roadway and have an increased general deterrence effect on larger numbers of motorists, balanced against the agility and mobility we get from the mid-sized buses. We will evaluate that over time, but we do not have a firm view at this point of what the future operating model will look like.

**Mr P.A. KATSAMBANIS:** Is the minister able to tell us the number of alcohol breath tests and drug tests that have been conducted in this financial year and the proposed numbers for each of the years in the forward estimates?

**Mrs M.H. ROBERTS:** Yes, I can provide some advice in that regard. I will start with the 2016–17 figures so the member has a point of comparison. For 2016–17, breath tests numbered 1 831 139, funded from the consolidated account. A further 342 718 breath tests were funded from the road trauma trust account, so the total number of breath tests for 2016–17 was 2 173 857. For the year to date to May for 2017–18, breath tests funded so far from the consolidated account number 1 676 079. The road trauma trust account funded a further 338 360, which takes the total number of breath tests year-to-date to 2 014 439. I think we set a target of at least 1.8 million breath tests because I am advised that good practice is to average one breath test a year per licensed driver. I understand we have just over 1.8 million licensed drivers in Western Australia, so year-to-date this year, we have already exceeded that number with 2 014 439 breath tests.

[8.20 pm]

**Mr P.A. KATSAMBANIS:** My question was about the following year. The minister indicated there was an intention to increase. What are the figures for the 2018–19, 2019–20 years and following in the forward estimates?

**Mrs M.H. ROBERTS:** We continue to aim for best practice, so we will continue to aim for more than 1.8 million tests. I note that we have already increased the number of tests. A few years ago it was significantly less than that.

**Mr P.A. KATSAMBANIS:** It is important, because there were more tests in 2016–17 than there will be in 2017–18. I understand that sometimes it simply cannot be predicted to the last number how many there will be at each stop on each day, and they are significant. Can the minister give me similar figures for drug testing as she gave for alcohol testing?

**Mrs M.H. ROBERTS:** The number of licence holders in Western Australia will continue to increase, so to keep up with best practice as the number of licence holders increases, it is our intention to increase the target. With respect to the member's question about the roadside drug tests, I understand that in 2016–17 there were 34 523. In the year to date, I am told the figure is 31 253, and that the target for this year is 34 500.

I can further advise that because of additional funding we have put into this area, there has been an 18 per cent increase in funding for drug testing, so our target for drug tests for 2018–19 will be 40 000.

**Mr P.A. KATSAMBANIS:** Are those year-to-date figures the minister gave for the current year to 31 May or to some other date?

**Mrs M.H. ROBERTS:** We are not at 31 May yet. They are up to a date in May. They were the latest figures that were available to me today. I actually anticipated the member's question and I asked Mr Brown earlier today to make sure that I had that information.

**Mr P.A. KATSAMBANIS:** Thank you. Further to that question, we started off with a breath and drug bus replacement, which is coming out of the road trauma trust account. Does the minister have, or can she at least take on notice, information relating to all the projects to be funded from the RTTA in 2018–19 and through the forward estimates? I appreciate that not all the funding is allocated through the forward estimates? Can the minister provide that list of projects?

**Mrs M.H. ROBERTS:** I have some information here. It may save time if I offer to provide to members a simple A4 page that lists the projects that have been funded this year. We have adopted a new practice of allocating some money over the forward estimates as well. I have also listed where money has been allocated in the forward estimates for particular programs.

**Mr P.A. KATSAMBANIS:** I would appreciate that. Is that for the 2018–19 year?

**Mrs M.H. ROBERTS:** I ask that that information be distributed. It is for the 2018–19 year.

**Mr P.A. KATSAMBANIS:** Does the minister have similar figures for the 2017–18 year?

**Mrs M.H. ROBERTS:** I provided them last year.

**Mr P.A. KATSAMBANIS:** I would not mind looking at that. Perhaps we can go to another area of questioning and then come back to this matter.

**The CHAIR:** I have the member for Kalgoorlie next. We have an hour and a half to go through that.

**Mr K.M. O'DONNELL:** Greetings, minister.

**Mrs M.H. ROBERTS:** Greetings, member for Kalgoorlie.

**Mr K.M. O'DONNELL:** I did not get a chance earlier, but I wish to say that my colleagues were entitled to ask questions about staff office recruitment. Trust me, the staff office works very hard and it will not let anyone fall through the cracks.

At the bottom of page 336, under "Explanation of Significant Movements", increases in rents for Government Regional Officers' Housing are forecast. At the moment, if I base my example on, say, Kalgoorlie–Boulder—I am not sure where the Kimberley is at the moment—police officers are paying \$472 a fortnight in rent. That will go up to \$552 a fortnight, so a \$30 a week increase or roughly \$1 500 a year. Police have received a \$1 000 pay rise and, less tax, that is about a \$500 increase. Now they are up for an increase in rent of \$1 500, so half the time they do not want a pay rise.

**Mrs M.H. ROBERTS:** I cannot see where it says GROH on page 336. Did I get the page number right?

**Mr K.M. O'DONNELL:** It is right down the bottom.

**Mrs M.H. ROBERTS:** I have it.

**Mr K.M. O'DONNELL:** Half the time it is not worth getting a pay rise if rents rise—it rubs each other out. My query is: what is the government doing to help country police officers regarding rental assistance? I remember when I was in GROH many years ago, it was a very good incentive; rents were very low. Would the government consider another system? I think that GROH has run its race because half the time rental subsidies are not worth it. Forget the rent and give them, for example, \$300 and let officers find a place to live so they can do what they want to do—pay it off a house, whatever.

**Mrs M.H. ROBERTS:** I thank the member for Kalgoorlie for his informed comment about our staff recruitment area. I think he has very good knowledge of how professional those people are. I am sure they will be pleased to hear his comment.

As members would be aware, the former government built in a \$30 a year increase for GROH housing, not just for the police agency but generally for government officers, including teachers, nurses and others. The member asked me about incentives for police officers to go to the country. The quality of housing in country areas is very important for police officers, and so is the amount they have to pay for it. Over a long period of time different locations have had different arrangements. Some country centres do not have GROH housing; most other country centres do. We have looked at various ways of incentivising police to go to the country. Formerly, when I was Minister for Police, we introduced the 44-hour week into Kalgoorlie and at a range of other locations. That provided an additional financial incentive for people to go to those locations. It is also the case that there are quite a number of country and regional locations where officers pay no rent. I remember many years ago visiting Eucla. It was determined not to charge officers rent to live there because both the station and the houses were not in great condition and it is a very remote location.

We are very mindful of rental increases. I do not like rents going up each year. An anomaly of the \$30 a year increase put in place by the former government is that there are some places where people pay no rent. I think there are about 55 locations where police officers do not pay rent. I am not sure how far the member for Kalgoorlie's electorate extends, but that probably includes places in his electorate.

[8.30 pm]

**Mr V.A. CATANIA:** That is in the wheatbelt, I think.

**Mrs M.H. ROBERTS:** It includes places such as Norseman and Laverton. Police officers do not pay rent in a range of places. It is not just the Agricultural Region; it goes right up to Wyndham. There are 55 locations where they do not pay rent. I understand that at those 55 locations, they also have not had the \$30 increase. That is something that needs to be taken into account because those who are paying rent have been hit with that additional \$30 a fortnight and those who do not pay rent have not had that same imposition. I am very aware of the various anomalies of country locations. The Commissioner of Police needs to take that into account. He obviously knows which locations are harder to fill than others and, where appropriate, we look at providing incentives by way of their accommodation cost.

**Mr P.A. KATSAMBANIS:** We know the economics. The Government Regional Officers' Housing rents are going up by \$1 500 a year and salaries are limited to an increase of \$1 000 a year. Police officers in these areas are already starting behind the eight ball without meeting their normal cost of living. What specific incentives are in place to, firstly, encourage those officers to stay in regional locations and, secondly, to encourage officers to look at these regional locations as an option?

**Mrs M.H. ROBERTS:** As I have advised, lots of locations have free rent. There are also locations where police officers work a 44-hour week. It is unfortunate that the former government basically built this in over the four years of forward estimates prior to the last election. It applies to police officers as well as other government employees. We are certainly mindful of it. I note that it is still the case that police officers will certainly pay no more than market rent. I would imagine that in most instances, they are paying below market rent in the towns in which they are living. There is some incentive built in there. If a circumstance arose in which they considered they could get a better rental arrangement in the private market, that option is open to them.

**Mr S.A. MILLMAN:** I refer to the asset investment program on page 338 of budget paper No 2. One of the great concerns in my electorate of Mount Lawley is the scourge of methamphetamine. Tackling this scourge seems to be the key to keeping our communities safe. Can the minister please provide updates on the WA Police Force meth border force?

**Mrs M.H. ROBERTS:** Yes, I would be very pleased to do that. This is one of the areas that our government has targeted very strongly. We provided some \$83.553 million over the period 2017–18 through to 2020–21 to support police enforcement activities relating to methamphetamine. I acknowledge that the meth scourge problem is much broader than just WA police and that other agencies are involved as part of the government's overall methamphetamine action plan. Our part is the enforcement part and we have provided \$83.5 million to WA police for the meth border force.

The member asked whether I can update him on our meth border force. We committed to the recruitment, as he would be aware, of 100 additional police officers and 20 police staff. That recruitment is well underway. I understand that as of 26 March, 50 police officers and 17 police staff had been recruited as part of that meth border force commitment. WA Police Force retains its current commitment to the methamphetamine investigation teams, our meth transport teams, our meth money team and our meth investigative desk. As the member will be aware, we also purchased what we are colloquially calling a meth truck but, in reality, it is a truck or van that can be deployed to drug trafficking routes. It has X-ray-type equipment on board similar to what we would see at an

airport, like an airport scanner. The police can take that to mail centres because some drugs are sent via the post or parcel delivery services. The equipment can quickly scan through a lot of product if it is taken to a mail centre. I went on an operation in the south of our state and watched that truck in use at a roadside stop set up on a major highway. It was very effective and it has been deployed very effectively there.

I might just add that we announced the recruitment of three new police dogs that will be general duties and narcotics dogs as well. They are the quickest at finding drugs. In fact, I think I commented that during the last month alone our police dogs had helped in the discovery of 1.4 kilograms of methamphetamine, 1.2 kilograms of cannabis, half a kilo of cocaine and over \$40 000 cash. They helped in the apprehension of at least 28 offenders. They do a great job. They are part of the effort to uncover drugs. They are taken out on deployment. As I saw when I went out to the stop on the major highway, if someone in a car is pulled over and there is some cause for concern, the dogs are taken around the vehicle and utilised to see if they can capture the scent of drugs, which they are trained to do.

The meth border force is well on track. We had the biggest seizure of drugs on record in Geraldton—1.2 tonnes. WA police have had some excellent results during the last year. I am very proud of the work that they are doing. The additional resources that have been allocated to target drugs, particularly methamphetamine, are already paying dividends. I might just ask Commissioner Dawson whether he has anything to add.

**Mr S.A. MILLMAN:** Perhaps with the assistance of the commissioner, without descending to operational matters, can the minister advise us of any successes that she has had keeping these drugs off our streets and out of our neighbourhoods?

**Mrs M.H. ROBERTS:** I think I have spoken on the topic for long enough so I might hand over to Commissioner Dawson. I am sure he would be very pleased to tell the member about some of the collaborative wins that we have had in conjunction with commonwealth agencies.

[8.40 pm]

**Mr C. Dawson:** In addition to what the minister has outlined, obviously the Australian record seizure of 1.296 tonnes is the most by way of volume. It is the highest amount of crystal methylamphetamine, which is really the most illicit drug scourge. Our assessment is that 80 per cent of criminal offending involving burglary and theft is by persons who are addicted to this drug. It has a very high correlation with other crime types that impact on our community.

In addition to the joint operations that we conduct with the joint organised crime task force—which comprises the Western Australia Police Force, Australian Federal Police, Australian Border Force and Australian Criminal Intelligence Commission—we are planning further cooperation particularly with the ACIC by co-locating 20 of our detectives, investigators and analysts with them in their Perth office. That is already resulting in very strong intelligence. By way of example, 31 kilograms of meth was seized at Dampier port in the Pilbara during a joint operation in March. The minister has already outlined the success of some 20 kilograms seized, which came by air from Sydney. We also have ongoing activity by persons importing the drug by way of the dark net orders and through our postal service. Again, we are working with Australia Post and other carriers. We cannot just concentrate on one form of entry.

Apart from the correlation with volume crime and other crime types, wastewater testing nationally continues to show that regional areas in Western Australia have the highest per capita use of meth, and Perth presently ranks second behind Adelaide in the capital cities. We know it is a profound problem but we are very pleased at the cooperative arrangement that has resulted in record seizures. Year to date, we have seized 1.407 tonnes of meth. That is very significant. We have also seized over \$7 million in cash and over 500 offenders have been charged; many on very serious offences that can only be dealt with by the superior courts. Today, I came back from some of our regional areas in the south west and great southern. We are also conscious that although these are high-volume seizures, the meth impact on small country towns, be it ounces or grams, is just as significant a problem as the tonnage that we may seize before it is distributed. The impact on those communities is very concerning. We will not just be concentrating on the high-end international drug dealers. The assessment by the Australian Criminal Intelligence Commission is that 70 per cent of the most serious organised crime syndicates are Australians or affiliated Australians who are situated offshore, or they are connected with offshore syndicates. We must also reinforce the policing effort that is being done in small communities in regional WA. By way of example, in the last several months we executed approximately 30 search warrants in the town of Manjimup. We charged over 60 persons with drug-related matters. Those sorts of operations will continue. That is very important so that we do not concentrate on the international, but we also continue to police our suburbs in the city and the smaller towns.

**Mr D.R. MICHAEL:** I refer to the third dot point on page 333 in budget paper No 2, specifically the metropolitan operational reforms. Having doorknocked many Balcatta residents before and after the last state election who were frustrated with the former policing model, including several off-duty police officers in private, I am excited that these reforms are coming through. Could the minister please provide an update on the operational restructure?

**Mrs M.H. ROBERTS:** The changes that have been made to the metropolitan district model really will change the way services are delivered in the metropolitan area. We are increasing the number of metropolitan districts from

four—which they were decreased to under the former government—to eight smaller, more manageable metropolitan districts at Perth, Midland, Mirrabooka, Joondalup, Armadale, Cannington, Mandurah and Fremantle. As I highlighted earlier, for the first time Armadale—one of the busiest areas—will get its own policing district in the south east corridor. There are also significant advantages for the Peel area. In fact anywhere in that outer metropolitan area will be significantly advantaged by the new model. My electorate was traditionally in Midland or east metro at various times. We were combined with central when it went to a four-district model—so, with all of Perth. People in the hills and Ellenbrook were in the same policing district as people living not just in the city but in places like Wembley, for example. We think this will mean shorter response times.

There were also issues with the model in that it divided up the workforce between what were called LPTs—local policing teams—and the response teams. The feedback over the last couple of years was that those, as the member correctly identified, were under enormous pressure to respond. I am advised that the new structure will be in place by 1 July. Keeping in mind the government's priority is to deal with the issue of domestic assaults, as I refer to them, family and domestic violence response teams will be co-located in every one of those eight metropolitan districts. A sergeant and six constables will be assigned to each district to tackle the most serious family violence cases. That does not mean that other general duties officers will not respond to domestic assaults, but it does mean that we will have those specialist teams in each of the policing districts. Irrespective of what crime is occurring or is reported, police systems are able to identify where they get regular call-outs, for example, or numerous call-outs from the one premise for whatever reason and if domestic assault issues are occurring at a particular premise on numerous occasions, those teams located in each of the districts can pay additional attention to that. I think that is one of the real benefits of the new policing model.

I also note in terms of the new policing model that we are establishing a central regional operations group. It is colloquially called ROG. In recent years, regional operations groups have been based just north and south of the city. The new central one is to be based in Warwick, probably not too far from the member for Balcatta's electorate. It gives the teams greater flexibility. By way of example, it is the ROG officers who respond to out-of-control parties. They come in over the top and supplement it.

**Mr V.A. Catania** interjected.

**Mrs M.H. ROBERTS:** I notice we are getting more interjections from the member for North West Central. He is very cruel.

Several members interjected.

**The CHAIR:** Members!

**Mrs M.H. ROBERTS:** To be quite clear, the number of ROG locations will be increased from two to three. There will still be a north metro and a south metro group, but now there will also be one based more centrally at Warwick.

**Mr P.A. KATSAMBANIS:** Given that the minister is creating this new ROG unit, was it a mistake last year to close one of the ROG units when officers were redeployed from the ROG unit to go into police stations?

**Mrs M.H. ROBERTS:** I thank the member for the question. Effectively what we have done is made a number of changes for the benefit of the community. These are changes that Commissioner Dawson has put in place as the new Commissioner of Police. I expect that people are aware that when the commissioner took up the job in September last year, the first thing he put in place was the complete review of Western Australia Police Force operations, and every aspect of policing was reviewed. As a conclusion to that review, the commissioner has put in place a range of changes that he thinks will be of benefit to the community. Essentially, the main task of the Western Australia Police Force, as I see it, is to respond as quickly as possible to crimes that occur, when people want assistance, and to assist in whatever way they can in preventing crime and driving crime rates down. I acknowledge clearly that that is not just a police responsibility but a whole-of-community responsibility—it is a multifaceted, multiagency thing to generally try to drive crime rates down. It is effectively the commissioner's call to have the eight new districts. It is his call, as a result of the review, to set up the regional operations groups, as he has chosen to do. I think they are great initiatives by the Commissioner of Police and I ask him whether he would like to add anything further about the new policing model and the matters he has implemented since doing his review.

[8.50 pm]

**Mr C. Dawson:** In addition to what the minister has outlined, the principle behind the eight smaller districts is to ensure a greater span of control by a dedicated district superintendent and three inspectors. As the minister has already outlined, each of the three will be complemented within the structure by combining the response and the local policing teams into one unified command. In that sense, I have an expectation that I have set out for each of those district superintendents, and overseen by the district commissioner, metropolitan, that the situation command will be driven through local policing knowledge, but coordinated through the police operations centre. As the minister has outlined, we are establishing a state operations command centre, which although it has statewide responsibilities, will provide a much higher situation command. That will involve having a higher level of

intelligence and information sets, which would include social media, and reticulating closed-circuit television from both public and private providers, in which that command centre will have greater capacity to coordinate matters that run across districts. The expansion of the regional operations group has gone from 98 officers to 120, with 40 located at each of three locations, being Rockingham, Neerabup and Warwick. Those officers will have additional capability, as we are equipping them with AR-15 semi-automatic assault rifles.

That is to complement the existing capability of our tactical response group to support frontline police officers. I will talk to our assessment, both from my state and national experience, and I might invite Deputy Commissioner Brown to add to this, as he has just come back from overseas. The first responders, internationally and in Australia, have ordinarily been equipped with side-arms, so this is a very important increased capability. Although the Australian public terrorist threat alert is listed as probable, it is very important that aside from the normal policing that goes with our duty, we must also ensure that we have a full capability for any matters that might touch on active armed-shooter situations or indeed countering any terrorism. I am very confident that we have technically equipped the facility out at Maylands to complement what we have at Midland by way of command and control by redeploying officers and their management teams to eight smaller districts. In addition to that, we have eight radio channels, as opposed to four. That frees up congestion that had been drawn down on.

I might close my comment by saying that this is not exclusively drawn down from the review I caused to take effect. My own experience as a district superintendent some 20 years ago reinforced that. It was also reinforced with a very high survey response conducted by the Western Australia Police Union of Workers, which also cited a number of matters regarding metropolitan policing. I am sure Mr Brown will be able to add something with the minister's concurrence.

**Mr S. Brown:** Specifically to the issue of the allocation of AR-15s to the three ROG teams, it is very much proportionate with the maintenance of the threat level of a terrorist attack in Australia, including Western Australia, as being probable. As the commissioner has just alluded to, I have just returned from a series of international meetings with our Five Eyes partners, being Australia, New Zealand, the United States, Canada and the United Kingdom. It is quite clear and apparent that the incidence of not only attacks across the Five Eyes countries, but also the number of disruptions that have been enabled by police to be undertaken, has really seen that we need to have a step change here in our tactical capability on the road. This arming is something the people of Western Australia will soon see on the streets. The training and procurement has already begun and in the coming months we will see the rollout of that with the expansion of the ROG teams.

**Mr P.A. KATSAMBANIS:** Just on the arming of police officers with, I think, AR-15 assault rifles, how many assault rifles will WA police acquire, what is the cost of those assault rifles and where in the *Budget Statements* is the provisioning to purchase these rifles?

**Mrs M.H. ROBERTS:** I do not believe we have that information with us tonight, but if the member puts that question on notice, I will make sure the information is provided to him.

**Mr P.A. KATSAMBANIS:** This is a question I had anyway, but it fits right in here. We talked about counterterrorism and I am just as pleased as anyone that Deputy Commissioner Brown, the police commissioner and everyone else are so focused on this area. However, I note that on page 341 of budget paper No 2, under "Details of Controlled Grants and Subsidies", there was some funding in the current financial year for countering violent extremism intervention programs. That funding has been discontinued for this coming year and into the forward estimates. Why was it determined to discontinue that program, and what other specific programs are in place, run either by police or another government agency, to help intervene in countering violent extremism?

**The CHAIR:** I will add that as a new question, because it is a stretch. It is a new question about page 341 of the *Budget Statements*.

**Mrs M.H. ROBERTS:** I think that falls under Deputy Commissioner Brown's portfolio and I hope he might be able to provide some information about that.

**Mr S. Brown:** I am advised that the program is being funded on a continual basis by recurrent funding from within the judicial services portfolio. It is a collaboration led by police, but across government. In the current financial year, the Western Australian police also received additional funding, which is likely to be ongoing, through the Australia–New Zealand Counter-Terrorism Committee. Although that particular item does not appear in the forward estimates, it will be funded by recurrent budget and also from within the judicial services portfolio, and most likely by the ongoing commitment, as exists across the states and territories, funded by the Australia–New Zealand Counter-Terrorism Committee.

[Ms L.L. Baker took the chair.]

**Mr P.A. KATSAMBANIS:** Where is the funding from the ANZCTC—it is actually easier to say the title than the acronym in that case!—incorporated in the police budget and what is the amount we are getting in total grants for the upcoming year?

**Mrs M.H. ROBERTS:** I might ask Mr Pasquale to provide the member with that line item.

**Mr F. Pasquale:** Could I have the reference or page number that the member is referring to?

[9.00 pm]

**Mr P.A. KATSAMBANIS:** I was following up the funding for countering violent extremism on page 341, and the answer from the deputy commissioner indicated —

**Mrs M.H. ROBERTS:** I think the answer from the deputy commissioner was that it comes out of the judicial services portfolio, generally, and also the other funding. We are just trying to —

**Mr P.A. KATSAMBANIS:** From the Australia–New Zealand Counter-Terrorism Committee, and I am asking what is the level of funding from the ANZCTC, and where is it incorporated in these income statements.

**Mrs M.H. ROBERTS:** I am going to ask Deputy Commissioner Brown to respond.

**Mr P.A. KATSAMBANIS:** I am happy to have it taken on notice; I do not mind.

**Mr S. Brown:** The actual amount of funding changes from year to year, depending on the initiatives being rolled out in a consistent manner across the states and territories. Those initiatives run across 11 different capability sets, such as investigations, intelligence, bomb disposal, countering violent extremism, and a raft of other capabilities. It also procures specialist assets for us. For example, at the moment the agency, in the coming six to nine months, will be in receipt of a new armoured vehicle, which will be funded by the ANZCTC, as it will be funded for other jurisdictions as well. In simple terms, the amount fluctuates, depending upon the collective view of the membership of the Australia–New Zealand Counter-Terrorism Committee, on which I am one of the two state representatives for Western Australia.

**Mr V.A. CATANIA:** I refer to the heading “Relationship to Government Goals” on page 334. I refer to an issue that the minister is well aware of, that of firearms being able to be carried by Australia Post, and the issue that is quite concerning to people in my electorate and in regional Western Australia, about the transportation of firearms. Can the minister elaborate on whether there has been a resolution on how firearms can be transported around Western Australia?

**Mrs M.H. ROBERTS:** We have made considerable progress. Deputy Commissioner Brown has been heading up a group that has been consulting about this. There is now quite a long list of approved carriers for firearms, and there are a number of firearms carriers for country regions. I understand that some firearms carriers are not taking on new clients, but I am also advised that some are. This has been a very long process, and has been going on since before we were elected. I am well aware of the issues. I have had a number of meetings with interested parties, particularly country firearms dealers, and I know that Deputy Commissioner Brown has been having ongoing meetings with those people, and there have been quite a number of advances as part of that, so I will ask Mr Brown to respond.

**Mr S. Brown:** I can confirm that, over the last six to seven months the number of approved carriers has increased now to 14. Through that same period we have been undertaking detailed negotiations and discussions with Australia Post. Those conversations are in their eleventh hour and appear very optimistic. I would hate to jeopardise a decision made by the corporate board of Australia Post at this last minute, but advice to me as recent as yesterday is that we are close to a solution that will likely see Australia Post step into the space to become an approved carrier in this state, which I think would go a long way towards adding to the gains we have seen over the past six months, and making it easier for firearms repairers, manufacturers and dealers in this state to safely transport firearms and firearm parts across the network without compromising the safety of people in this state or across Australia.

**Mr P.A. KATSAMBANIS:** That is very good news, and everyone appreciates that Australia Post is critical to this, because it gets to parts of our state that none of the other carriers get to. Well done, and good luck in finalising that agreement. Does the minister have any information about how many firearms or parts of firearms went missing through the Australia Post process before September last year, when Australia Post stopped carrying firearms because it was not an approved carrier? Without getting into who is at fault in all of that, is there any evidence from year to year over the past five or 10 years of how many firearms or parts of firearms went missing during their carriage by Australia Post?

**Mrs M.H. ROBERTS:** I think that that would be a very difficult question to answer, but if anyone has any idea, it would be Mr Brown, so I will ask him to provide a response.

**Mr S. Brown:** I do not have specific numbers, but the Western Australia Police Force, together with our partners across the country, have made enquiries about the number of firearms that have apparently been stolen from within the network of Australia Post. That is a very sensitive issue, of course, and I will preface anything else that I say by saying that those firearms, the number of which is not specific and not determined, would appear to have been taken by people across the country, not just in Western Australia, putting firearms or firearm parts into the Australia Post system without its knowledge, and without the requisite level of security. We are proposing here, and working with Australia Post on, a different regime that will see Australia Post become an approved carrier

with pretty much absolute knowledge of when firearms are in its system or not. It would certainly not be Australia Post's fault if somebody put something in a box and posted it across the country, and failed or decided not to declare that the item in the box was a dangerous good or item—as is Australia Post's policy.

**Mr V.A. CATANIA:** With regard to what the minister has been saying about what has actually been put in the post, in the system of firearms, people who own firearms and dealers, do the police have a good handle on the inventory of licensed guns that are out there? Do the police have a good inventory of licensed firearms and who owns them? For instance, if a dealer has a list of guns, can the police audit that dealer and check to see whether those guns are there?

[9.10 pm]

**Mrs M.H. ROBERTS:** The police maintain a firearms registry. As we know, that comes under Deputy Commissioner Brown's responsibility, so I will ask him to comment.

**Mr S. Brown:** There are some 80 000 licensed firearms holders in the state whose firearms particulars are recorded on the licensing registry system. From time to time, the Western Australia Police Force conducts audits of firearms owners, dealers, repairers and manufacturers. In the past we have conducted, and into the future we will conduct, targeted operations to test and dip sample to see whether a percentage of the firearms community is adhering to the requirements under the Firearms Act. We do know that in recent years when there has been theft of firearms, even from licensed dealers, the record keeping of some of those firearms dealers has not been up to spec, and that has been disappointing to say the least.

**Mr V.A. CATANIA:** Does the Western Australia Police Force believe that the police inventory of those 80 000 licensed firearms holders is correct? If the police went to a licensed dealer, would there be any difference between what the police have and what the licensed dealer has—if that makes sense?

**Mrs M.H. ROBERTS:** I will defer to Deputy Commissioner Brown.

**Mr S. Brown:** That is a difficult question to answer, as firearms are always in transit between owners, manufacturers and dealers. I would say that, generally speaking, we would have a fairly good handle on where the firearms are supposed to be, to whom they are supposed to be licensed and where they are supposed to be secured. Whether they are in fact at those locations, we come across them from time to time in the hands of criminals of course, and that is well known to the community. When they are stolen, they have been improperly secured or whatever the circumstances might have been. In our audits, we sometimes find that the security requirements are not up to spec, particularly when they are people who are above mere owners and are manufacturers, dealers or repairers with large numbers of firearms.

**Mr P.A. KATSAMBANIS:** Given the traumatic event in recent weeks in Margaret River that involved a licensed firearm, is there any intention to review the Firearms Act or the Firearms Regulations based on any evidence that comes out of that tragedy, or is it too early to look into this area further? I am trying to be as sensitive as I can in asking the question.

**Mrs M.H. ROBERTS:** Clearly, there will be a coroner's report out of the incident that occurred at Margaret River. Any recommendations from the coroner's report will be taken very seriously by government. I expect that we would have bipartisan support in this chamber and in Parliament for any recommendations on firearms that come out of that coronial inquiry. As the member will be aware, Commissioner Dawson visited Margaret River immediately after that tragic event and he is aware of the circumstances, so I will ask him to provide further comment.

**Mr C. Dawson:** I will answer in broader terms before turning to the specificity of the Margaret River tragedy. In addition to the responses provided by Deputy Commissioner Brown about licensed firearms, the national assessment of the numbers of firearms in Australia also includes a number in the grey and black markets. That assessment by the Australian Criminal Intelligence Commission is currently in the order of 250 000 long arms and some 10 000 considerable handguns that have never been licensed. That is primarily due to a number of other jurisdictions—not Western Australia—licensing only shooters or firearms owners, not the weapons themselves. When the 1996 buyback occurred, not all weapons were returned. The reconciliation that has taken place over quite a number of years is due to the knowledge that we have of the numbers of weapons that have been imported into Australia—for instance, from North America. We know that many of those were never returned, so they remain in the community.

The three long arms that police seized from the scene of that terrible tragedy in Margaret River were all licensed. None of them were high-powered weapons. They were licensed to a person connected to that property. As the minister has already said, this is subject to a very complex coronial and homicide investigation. I expect that we will not complete that file for several months, and then it will be provided to the State Coroner. I expect that the coroner will make a decision on an inquest. That is her jurisdiction. We obviously will respect it.

In closing, I do not have any information presently in front of me that gives rise for concern about the licensing arrangements in that particular matter. However, I would add that the Law Reform Commission has provided a report that makes a number of recommendations, and it is presently the subject of a working group consideration.

**Mr P.A. KATSAMBANIS:** This question follows up on the Law Reform Commission's report. Is there any intention to review the act and the regulations to enable the role-play game of airsoft to be legally conducted in Western Australia and to enable effectively the toys that are used to be brought into or even manufactured in Western Australia?

**Mrs M.H. ROBERTS:** Yes, that is a matter that is under review and there is a recommendation in the Law Reform Commission's report about airsoft. More specifically, though, Hon Aaron Stonehouse, a member of the upper house, is very keen to see airsoft legalised in Western Australia. He raised this issue with me last year and I organised for him to meet me and relevant people from the WA Police Force. I understand that he is progressing a private member's bill. I have advised him that I am very relaxed about him pursuing a private member's bill through the upper house. I have also said that I am more than happy for WA police to provide him with some guidance on that, because if he wants to bring before the Legislative Council a bill to legalise airsoft, I think it would be better if the WA police provided advice on it, and it would be more likely to be acceptable to the Legislative Council. Should it pass the Legislative Council, we would then have to consider it in the Assembly. Of course, once his bill has been drafted, our government would need to consider whether or not we would support it. But, generally, I can say that the Law Reform Commission is supportive of airsoft being regulated.

The member may not be aware that I was the minister who changed the Firearms Act to legalise paintballing in Western Australia. We knew at that time that lots of people were engaged in paintballing—hundreds, if not thousands, of people throughout Western Australia each week. It was a pretty popular sport. My view on these things generally is that it is better to permit them, regulate them and have some control over them than to have them occurring illegally and without regulation. My indication to Hon Aaron Stonehouse is that if he brings forward that legislation, I will look at it. From a government perspective, there are a number of other aspects of the Law Reform Commission's report that I would be keener to give priority to. Legalising airsoft probably is not at the top of the government's legislative agenda, but if a private member in the upper house such as Hon Aaron Stonehouse wants to progress it, I am more than happy to see him do that.

[9.20 pm]

**Mr S.A. MILLMAN:** I refer to the significant issues impacting the agency on page 333 of budget paper No 2. I specifically refer to the Aboriginal employment policy, which includes the Aboriginal cadet program. As Western Australian jobs are the McGowan Labor government's number one priority, can the minister please provide updates on the Aboriginal cadet program?

**Mrs M.H. ROBERTS:** As I think I commented earlier, the Western Australia Police Force is undergoing a period of reform with the recently launched strategic direction and command and intent themes introduced by the Commissioner of Police. It provides a platform to respond to a changing and complex crime environment in a period of challenging economic conditions. The Western Australia Police Force has commenced activities for a diversity and inclusion strategy as part of that reform. Those activities build upon recent work undertaken in reviewing gender equality and Aboriginal employment within the agency. The member may be aware that the Aboriginal cadet program was developed to create a more accessible pathway for young Aboriginal people who might wish to become police officers. Our ultimate objective is to increase the percentage of Aboriginal police officers within the Western Australia Police Force. The Aboriginal cadet program commenced in late 2016. Quite a number of cadets have already successfully completed the program. It has certainly been a priority area for the Commissioner of Police. He is very committed to seeing more Aboriginal people engaged as police officers and providing pathways for them. I think it is particularly important to engage Aboriginal people in the police force and in the community in regions such as the Pilbara and the Kimberley where a very high percentage of the overall population is Aboriginal, but also in other regions. As I have said, the Commissioner of Police is very passionate about this issue so I might give him the opportunity to make some further comments.

**Mr C. Dawson:** The minister's response reinforces the passion and commitment that I and the force have to increase the representation of Aboriginal employees, particularly sworn officers. Presently, we have 156 employees who identify themselves as Aboriginal or Torres Strait Islander. Our intention is to continue to increase not only representation. Initially, 24 young Aboriginal men and women under the age of 24 entered the Aboriginal cadetship program. I am very pleased to advise that the first four of those cadets will graduate this Friday, 25 May. That will be wonderful. In addition, we have advertised for 37 additional Aboriginal persons to be recruited for cadet positions. They will be from not only the Perth metropolitan area, but we are also seeking to attract applicants from regional locations.

I returned just this morning from the great southern. I was very pleased to speak with and praise the work of one of our Aboriginal sergeants, Allan Mallard, who is the officer in charge of Tambellup Police Station. It is tremendous that we have a leader in that community. I am also pleased to advise that a police facility at Warakurna in the lands community is totally staffed by Aboriginal people. It is led by Sergeant Revis Ryder, who is assisted by Senior Constable Wendy Kelly. They are actively policing in Aboriginal communities. We want to extend this work because of the obvious benefits it brings having skilled Aboriginal officers deployed to assist in policing those communities. There is a big reason we need to do that: the over-representation of Aboriginal persons in the

justice system, as both victims, and also, regrettably, those who enter the system as alleged offenders. This is being done in concert with a number of state government initiatives, including the Target 120 program and the strategy to reduce the number of Aboriginal persons who are presently incarcerated.

**Mr S.A. MILLMAN:** Firstly, can I congratulate the cadets who will graduate on Friday. That is fantastic news. Anecdotally, does this emphasis on recruiting Aboriginal people to the police force enhance operational outcomes, further to the commissioner's final comments?

**Mrs M.H. ROBERTS:** To be very clear, these cadets are graduating from the blue and gold squads on Friday as fully-fledged police officers. That is great news and I am very pleased to see that happen. I will allow the commissioner to respond to the rest of the member's question.

**Mr C. Dawson:** For all police officers, we provide 28 weeks of training at recruitment level but, in addition, we provide local inductions that are overseen by district superintendents. These are very important to include local community elders who assist in the induction once they have been deployed to our respective districts. It is an ongoing learning process. The advantage operationally and in outcomes is that if we deploy Aboriginal people as fully sworn officers, community relations officers or police staff—public servants—they have a personal and community advantage by being Aboriginal people. That is why I want to expand it. I am not saying that non-Aboriginal persons cannot be successful in those positions; broadly, they are very successful in what they are doing, but this needs to be tied to strategies to improve justice and community outcomes. Hence, it is quite a complex process. I recently sent four of our Aboriginal officers to New Zealand, led by Inspector Mark Ninnett, and three other officers went with him. They have only just come back and briefed our corporate board. The New Zealand Police ran a very successful program to integrate police with the Maori people of New Zealand. They visited a number of iwi—tribal centres—and marae. They have come back armed with even better strategies and we seek to see whether they can be replicated. We can certainly learn some lessons from them. It is ongoing work.

**Mrs M.H. ROBERTS:** I might end by saying that it is important for our police force to reflect the diversity of the community. So although we have these strategies in place to engage Aboriginal officers, strategies are also in place to include wider ethnic and gender diversity within WA police, which I regard as very important. That diversity, in my view, should reflect the community that officers are policing.

**Mr K.M. O'DONNELL:** I refer to the third line item, "Percentage of sworn police officer hours available for frontline policing duties" under the outcomes on page 335. We are looking at around the 75 per cent mark. That means one in four officers is not available. That shocked me; I never realised that. Would that be tied up with those who are injured on duty, and would discipline be the other part of it? I assume "out of qualification" would be included in that, because that can be rectified. Are we in a position to improve that to lower that number of one in four that are unavailable?

[9.30 pm]

**Mrs M.H. ROBERTS:** The number of those who are unavailable includes people who are not available for duty due to illness or injury. It also includes people on short-term, sick or personal leave. Also senior management, superintendents and people above are not included in that percentage and neither are police officers working in non-operational, non-frontline areas. A range of people are not available for so-called frontline policing duties. It includes our command team, for example. It is largely just a definitional thing that includes people not available for frontline duty—such as everyone at superintendent level or above—and, as the member would know well from his experience, those in specialist roles are not in frontline roles.

**Mr K.M. O'DONNELL:** So when I look at it, it is not as bad as I have perceived it?

**Mrs M.H. ROBERTS:** Nothing like it; no.

**Mr V.A. CATANIA:** I refer to the road trauma trust account on page 228 of budget paper No 3. How much did the road trauma trust account contribute to the acquisition of the new police helicopter?

**Mrs M.H. ROBERTS:** The government's commitment to overall funding for the helicopter was \$26.9 million. Of that \$26.9 million, \$10.2 million was from the road trauma trust account.

**Mr V.A. CATANIA:** How does using the road trauma trust account to fund \$10.2 million of the \$26.9 million police helicopter reduce deaths on roads?

**Mrs M.H. ROBERTS:** The police helicopter spends up to 38 per cent of its time supporting vehicle events such as pursuit of vehicles. The member may not be aware, but a recent coronial report reviewed a number of police pursuits that had resulted in death. One of the senior police may comment on this in a moment, but, for example, when a vehicle is stolen or, alternatively, is being used in the commission of a serious offence—an armed hold-up or something of that nature—and it heads off at speed onto the road, there are a few options for pursuing the vehicle or the offenders who have done a serious crime. The most obvious option is that police cars chase them. There are inherent dangers in chasing them through congested residential areas, shopping precincts or whatever. Sometimes people who are trying to get away from police, apart from just travelling at high speed, engage in some incredibly

stupid things. For example, at night they turn off their lights or drive on the wrong side of the road. There have even been instances where they have driven on the wrong side of major highways or freeways. The police helicopter, as commented upon in the coronial report, provides a very good option for monitoring these vehicles from the sky, very often in a way that is not detected by the offender who is absconding in the vehicle. People in the helicopter can then communicate with police officers in the vehicles on the ground, who can then intercept the vehicle safely at a later point in time, rather than having the lights and sirens of cars following them and having the kind of police chase with its inherent dangers not only to the police officers in the vehicles and the people who are trying to evade police, but also, as has occurred on numerous occasions over the years, other innocent parties, who have been doing the right thing, sitting at a set of traffic lights or driving down the road, becoming victims. It potentially prevents crashes of that nature by safely monitoring the location of those vehicles and providing an opportunity for police to safely intercept a vehicle at a more appropriate location. I am not sure whether anyone else wants to add anything more.

**Mr V.A. CATANIA:** Did the minister ask the Road Safety Commissioner to contribute to the new helicopter prior to issuing a ministerial directive? Did he refuse; and, if so, what were the reasons for the refusal?

**Mrs M.H. ROBERTS:** No. To be clear, in December 2017, the State Coroner released findings that recommended —

**That the Police Airwing be allocated greater resources for the acquisition and operation of an additional helicopter and to this end, that consideration be given to allocating appropriate funding to the Western Australia Police Service.**

That left us needing to find \$26.9 million to replace the ageing BK117 helicopter with a new twin-engine medium-class helicopter. We looked at funding options for that. It was determined that it would be appropriate to fund the percentage from what was used for operations for pursuits and so forth, because the origin of this came from that coroner's report, and that we seek information on what percentage of the police helicopter's time was spent between the relevant duties. The amount of 38 per cent that was being spent on these kinds of traffic duties, monitoring pursuits and the like, was provided to me. Consequently, \$10.2 million was sought from the road trauma trust account, with the remainder, \$16.1 million, being provided from the consolidated account.

**Mr V.A. CATANIA:** Why did the minister have to issue a ministerial directive to get something that, as she said, came out of the report to fund a new helicopter? Why did she have to issue a directive to the Road Safety Commissioner to get \$10.2 million? I think the minister originally asked for the whole lot to come out of the road trauma trust account.

**Mrs M.H. ROBERTS:** It was done that way because that is what is required under the Road Safety Council Act. The Road Safety Council and the administration of the RTTA money is not the same as in other government agencies or departments. There are strict requirements in the act for what should occur. I note that those strict requirements were not complied with by the former government and it did not actually follow the letter of the law of the Road Safety Council Act. For example, the former police and road safety minister, the member for Scarborough, saw that a significant amount of money was allocated to prop up the Western Force rugby team. That was commented on in the recent Langoulant report. It never went to the Road Safety Council. Legally, it should have gone to the Road Safety Council. If the minister wanted to spend money on that, in my view, she should have issued a ministerial directive for that. That is the consistent advice that I have always received. It is about being open and transparent. That is why I issued the directive. We have been open and transparent about that.

[9.40 pm]

**Mr V.A. CATANIA:** There is \$41 million left in the account. There have already been 66 road deaths in WA this year, 39 of which were in regional WA. What is the government doing with the \$41 million that is left over in the road trauma trust account? This account was established to provide for road safety initiatives. Why is there \$41 million left in the account? Why is it not there to protect people's lives, particularly in regional Western Australia?

**Mrs M.H. ROBERTS:** I can understand why the member would raise that. I just note that when he was last in government, \$94 million was resting in the account in 2014–15, \$95 million was in the account in 2015–16, and \$56 million was left in the account in 2016–17. I also note that the former government did not make allocations for the out years, as we have into the future. There are a range of reasons more money has seemingly been left in the account. I suppose the first point I would make is that the account has a considerably smaller balance than it had under the previous government. We have deliberately attempted to make immediate use of money in the road trauma trust account. The second point I would make is that all money in the road trauma trust account is spent on road trauma in accordance with the requirements of the Road Safety Council Act. There is no potential for government to reallocate that money elsewhere. It is not sitting in the consolidated account or whatever. All that money will ultimately be spent. It does permit some flexibility later in the financial year. For example, the member would be aware that a particular issue arose on Indian Ocean Drive and additional money from the road trauma trust account was allocated to address that issue. I think it was money well spent. There are options to allocate that money. It remains available to the Road Safety Council to recommend how that money is spent. I might ask Mr Ian Cameron to respond further.

**Mr I. Cameron:** Just to add to that, I think this discussion occurred in estimates last year when we were talking about \$37 million, cash at bank. The equivalent figure we are projecting at the moment is \$41 million, so it is only a difference of \$4 million. These are estimates. We need to cater for all the cash receipts and bills that are outstanding at the end of the year. It is any point in time, and that is an estimate at this point. The equivalent estimate last year was \$37 million; it is now \$41 million. We will likely experience revenue changes. We will have money for outstanding payments that need to be paid. Last year that figure was \$37 million. The figures that I gave in estimates at the time and that our chief finance officer also gave were in the order of about \$14 million to \$15 million after all bills and accounts have been paid. I do not have that at the moment because we are a lot earlier in the budget cycle. The difference is \$4 million at the moment, with some flexibility, as the minister said.

**Mrs M.H. ROBERTS:** That is the difference between us doing budget estimates at the usual time in May as opposed to us doing them in September, as we did last year. More of the accounts would be presented because this is effectively cash in bank. They are estimates.

**Mr P.A. KATSAMBANIS:** Mr Cameron mentioned the income coming in and out of the road trauma trust account. If the minister wants a specific reference, it is the fourth line item under “Income” in the income statement on page 341 of budget paper No 2. It comes in and out at various times of the year. There was recent discussion that around 53 000 infringements from faulty speed cameras will be reviewed. Has any assessment been made of what sort of impact that will have on the income of the RTTA, either in the current financial year or the coming financial year?

**Mrs M.H. ROBERTS:** Over 50 000 infringements were issued by the Jenoptik cameras. They were continuously reviewed. Of those, police identified 20 instances in which they believed an error had occurred. They were identified by looking at photos on a screen and two cars and so forth were seen. The Jenoptik providers advised that errors were highly unlikely because the numberplates would be blanked out if there were two cars visible across lanes of traffic at the same time. Police remained concerned. They effectively manually checked all 54 000 infringements. They identified 19 ones that could be an issue and those infringements were not issued. In one case, someone was issued with an infringement who should not have been. As a result, that person had their car impounded, which was most unfortunate. The best advice to me is that there is no issue with the other infringements that have been issued. Because of the error that occurred, we have taken those cameras out of operation for the time being and we have effectively redeployed the earlier cameras. I think that is Mr Brown’s area of operation, so I will ask him to provide some further detail.

**Mr S. Brown:** They are the figures that I have as well. I can advise that the Jenoptik cameras have been temporarily taken out of service whilst we undergo a software fix or update to make sure that we are absolutely 100 per cent sure that from this point onwards, we can re-implement operations without even one infringement, as occurred in this case, being inadvertently issued under incorrect circumstances. That should ensure public confidence in the camera safety network going forward.

**Mr P.A. KATSAMBANIS:** How many of these Jenoptik cameras have been taken out of service temporarily and is there any indication of when they may be able to be brought back into service?

**Mrs M.H. ROBERTS:** WA police purchased 11 Jenoptik S350 mobile speed cameras. They have been taken out of service. They will not be put back into service until the Western Australia Police Force is 100 per cent confident that they can be redeployed and effectively be 100 per cent accurate. The best advice that I have been provided with is that that could be a couple more months. I cannot necessarily guarantee that figure. That is the current estimate on how long they think it may take. They are saying a couple of months. It might be sooner; it might be a little later. That is the rough estimate that I was given when I asked.

[9.50 pm]

**Mr P.A. KATSAMBANIS:** I refer to the heading “Asset Investment Program” on page 338 in budget paper No 2. One thing that is not in there is any mention of the provision of stab-proof vests for frontline officers. I know the minister or Command was undertaking a review. Does that indicate that frontline officers will not be issued with new stab-proof vests in this coming financial year or is there some other plan to fund those vests from other sources?

**Mrs M.H. ROBERTS:** No, it does not indicate that there will not be any rollout of stab-proof vests in this financial year. In fact the police force already has a significant number of stab-proof vests. I also note that when new recruits graduate, they are issued with vests. Deputy Commissioner Dreiberger was originally involved in this issue. In terms of any further advice, we have had ongoing discussions with the WA Police Union about it. The Commissioner of Police is probably best placed to comment.

**Mr C. Dawson:** I can advise that the WA Police Force is undertaking a body armour project. The identified outcome is improving officers’ safety and capability through the provision of fit-for-purpose body armour solutions. We issued an invitation to vendors to register their interest. That was released to the market to identify what technologies are currently available. Samples of body armour have been received and are presently

undergoing assessment. The next stage is to transition to a tender phase. We are currently evaluating and trialling. That is occurring within our police academy at present through our operational safety and tactics training unit together with our assets portfolio. That project was established in August 2017. I would stress, as the minister has already said, an existing number of ballistic vests have been issued for quite some time across the state but we are evaluating a number of different options including some enhanced technology. Some of the old ballistic plates are quite heavy but the technology has rapidly evolved, using other types of materials and products. We are also doing this in concert and in engagement with the WA Police Union for its membership. It is participating in the current work we are doing. We are also, obviously, taking into account advice from our occupational safety experts as well as our tactical and technical experts. Once we complete the existing evaluation, we will proceed to a tender evaluation. I do not have a time frame around this presently, but I understand it is quite mature. We are looking forward to seeing the result of that.

**Mr P.A. KATSAMBANIS:** Has there been any testing or any indication of trialling the use of lapel-based body cameras to be rolled out generally across frontline officers?

**Mrs M.H. ROBERTS:** That is an innovative jump from vests to cameras! Yes, there has been a trial. In the spirit of goodwill, I can advise that there has been a trial of body cameras. The issue with body cameras is not so much their cost. The member being a lawyer would appreciate that any footage gained from cameras needs to be properly stored. It can also be requested as part of discovery and so forth and so on. I am advised that the most expensive part of putting in place a regime for body cameras is ensuring the appropriate storage and retrieval mechanisms for any video that is collected from them. Protocols need to be put in place for how long the material that is filmed from those body cameras is stored. The Western Australia Police Force has been looking at what has occurred in other police jurisdictions. There was a small trial here in Western Australia. The Western Australia Police Force is evaluating the cameras. It is looking at where they would potentially be best deployed. It is particularly looking at experiences in other jurisdictions, including Victoria. One of the considerations is potentially which officers and/or units would most usefully wear body cameras; and, if so, for what duties they should be deployed and so forth. One area under consideration is those officers doing traffic duties. Those officers have a high level of interaction with the general public. It is inevitable that we will look to roll out body cameras once we have done all of the research on them. When that occurs, I think it is likely that they would be rolled out first to traffic duty officers so that we can get an assessment on how that works out. It clearly will be very cumbersome when people try to retrieve all of that data, and that data will need to be stored.

**Mr P.A. KATSAMBANIS:** On page 332 in budget paper No 2 there are some spending changes of just over \$4 million in this coming financial year to the safe speed enforcement program. What is that program and why is it only funded for one year rather than across the forward estimates?

**Mrs M.H. ROBERTS:** The safe speed enforcement program is to reduce the number of road users killed or seriously injured as a result of speed and to ultimately increase the perceived risk of detection, altering the behaviour of road users in the longer term. An additional \$4.025 million for the expansion of the automatic traffic enforcement strategy will support the Western Australia Police Force for a variety of things, including salaried staff processing infringements, camera maintenance and support, information communication technology, and printing posting to support the increased volumes. As part of that program, there will be 13 mobile camera systems, three fixed camera sites and 15 red-light camera sites in 2018–19.

**Mr P.A. KATSAMBANIS:** Have the three additional sites for the fixed point-to-point cameras been identified?

**Mrs M.H. ROBERTS:** I might ask Mr Cameron.

**Mr I. Cameron:** They have not been finalised. That is being worked through now with the agency groups.

**Mr V.A. CATANIA:** In terms of FTEs in frontline policing in regional Western Australia, are there any cuts? I will quickly refer the minister to “Regional and Remote Policing Services” on page 334 in budget paper No 2. Are there any cuts to actual equipment, such as cars being taken away from any of the regions? For example, Wongan Hills Police Station recently had one of its vehicles relocated away from the station. Are there any resourcing implications for frontline policing?

**Mrs M.H. ROBERTS:** I can advise that over the last three years there has been an additional 110 officers deployed to regional Western Australia. There is no intention to cut any numbers from regional Western Australia into the future.

**Mr V.A. CATANIA:** I referred specifically to vehicles, such as at Wongan Hills Police Station.

**Mrs M.H. ROBERTS:** I am not aware of any intention to cut the number of vehicles either.

**The appropriation was recommended.**

*Committee adjourned at 10.00 pm*

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