

GOVERNMENT AGENCIES — STATE BUDGET 2012–13 CUTS

Matter of Public Interest

THE SPEAKER (Mr G.A. Woodhams) outlined that he was in receipt within the prescribed time of a letter from the Leader of the Opposition seeking to debate a matter of public interest.

[In compliance with standing orders, at least five members rose in their places.]

MR M. McGOWAN (Rockingham — Leader of the Opposition) [2.58 pm]: I move —

That this house condemns the Barnett government for its cuts to government agencies, in particular the Department for Child Protection and Disability Services Commission, and the impact on children at risk, people with disabilities and their carers.

We move this motion in the context of the recently announced five per cent cuts to state government agencies across the board announced by the Treasurer and Premier in the last couple of weeks. This was a very blunt instrument. It applied equally across the board to all agencies, with the exception of education. I draw the attention of the house to the situations of the Department for Child Protection and the Disability Services Commission, which are both very worthy organisations. Before I do, I will read out two things to members of the house so that we understand the context in which this is taking place. On 7 November 2008 the then Treasurer, the member for Vasse, was asked by journalist Rebecca Carmody on *Stateline* about the then three per cent efficiency cuts being implemented by the Barnett government. He said —

You know, we won't be looking at another across the board efficiency drive like the three per cent.

In other words, the Treasurer of Western Australia, the Barnett government, in late 2008 said there would not be another round of efficiency cuts such as those that the government announced last week.

Mr C.C. Porter: That is not what he said.

Mr M. McGOWAN: That is exactly what he said. The Treasurer is a very slippery character. We will have something to say about what the current Treasurer has said a bit later on.

I will give members another example of what another person said. That person is none other than Terry Murphy, the CEO of the Department for Child Protection. He was asked in an upper house committee on 24 March 2009 about the three per cent efficiency cuts. He said —

Finding further cuts is very, very difficult.

The former Treasurer, the member for Vasse, Troy Buswell, says there will not be any more efficiency cuts such as the three per cent. I suppose he was accurate in one way. There will not be any more three per cent cuts; there will be five per cent cuts! Then the Director General of the Department for Child Protection said on 24 March 2009, "Finding further cuts is very, very difficult." What has the government done? It has applied across the board, without exception, cuts to government agencies of five per cent over the next four years, two per cent up-front and then one per cent each year after that. What does that equate to for the Department for Child Protection and the Disability Services Commission? For the Department for Child Protection that equates to a \$25 million budget cut. That is a conservative estimate of what that equates to.

Mr C.C. Porter: That is wrong.

Mr M. McGOWAN: The Treasurer can make his speech. It is not wrong. He was wrong earlier today and he will be wrong again, because he is very slippery.

The across-the-board cut to that agency is disgraceful. That agency deals with children who are subject to abuse. The role that it plays is very important. It analyses and receives complaints about the treatment of children around Western Australia, and it puts in place measures to make sure that they are looked after and catered for, and protected from abuse. The department was created in 2006 as a consequence of some unfortunate events that took place. It had a massive budget increase and a massive increase in personnel to deal with the situation that arose as a result of the unfortunate case of Wade Scale, a boy who came from Rockingham and whose case I am familiar with. The department was put in place to fix that situation—a situation that we had seen running rife, particularly in some regional communities around Western Australia. To its credit, the former government put in place that new agency, it put in place mandatory reporting, it put in place working with children checks, and it put in place the Gordon inquiry into these issues. It put in place a raft of important measures to deal with the subject of child protection, and that department was put in place to deal with these issues. It then had a big budget and a big increase in personnel.

The way it works is this: a child protection worker is allocated between 15 and 18 cases to case-manage. As of March last year, 799 children in Western Australia did not have a case manager. In March this year, it was 883;

883 kids potentially subject to abuse reported to the department do not have a caseworker allocated to them. The number has grown by nearly 100 in the course of the last year. What is the Treasurer's response? His response is to put in place a five per cent cut to the agency and say that that will not affect front-line services. His response is a five per cent cut to the agency that looks after kids, and then he has the audacity to say that that will not impact on front-line services, when the director general of that agency has already said on the record in a parliamentary committee that any further cuts would be very difficult for the department to manage. He said that on the record.

I want members to know exactly where these cases are. I will give an example because we have the documents here that show where these cases are. Let us go to some parts of the state. For instance, in the case of the Cannington district, 124 children are in this category, whereby there is potentially a suggestion of child abuse and they are not being case-managed by the department. In the case of Armadale, 70 children are in that situation. In the East Kimberley, 32 children are in that capacity. In the case of the Fremantle district, 35 children are in that situation. In the case of the Joondalup area, 64 children are in that situation. In Midland, 55 children are in that situation. I will give the house another one. In the case of Murchison, 105 children are in that position in which they are not being case-managed as would be expected and as the department would like to do, and the Treasurer's response to that situation is to apply an across-the-board cut to all agencies, including this one, which has these 883 kids out there who are not being case-managed. Shame on the Treasurer for doing that. If he is going to apply cuts, he should apply them with discretion and with judgement. Why is it that the Department of the Premier and Cabinet, which is a monolith of an agency, with all these people doing whatever, has the same cut applied to it as is applied to the Department for Child Protection, which has 883 kids whom it would like to case-manage but whom it is not currently able to case-manage due to the situation that it is in? It would like to have, according to our calculations, 59 additional workers to manage that situation.

I will draw members' attention also to the Disability Services Commission. Of course, the Disability Services Commission assists those who are caring for people with a disability, or those with a disability who are being cared for. We are all familiar with people in that position. During my 15 years in this place, people have come to my electorate office who are elderly—they are in their 70s or 80s—and who are looking after a 50-year-old or 60-year-old child of theirs who has Down syndrome or any range of disabilities. Before they die, they want to be able to put that person, their child—a middle-aged man or woman—into some sort of care arrangement, and repeatedly they cannot do it. They are unable to access that service because of the constraints on resources. To me, that is a front-line service. The Treasurer might say that it is not, but, to me, that is the front line. I feel very much sympathy for these people. We have all done it; we have all written letters to the combined application process system to try to get these people into care, and we get rejected regularly. What we found in the latest round of applications for the combined application process system—applications for round 3, 2011–12—was that 58 of 516 applications for families in urgent need of support were accepted. Eleven per cent of the applications for this level of support were accepted. That means that all those elderly people out there who, before they die, want to get their middle-aged children into care are being rejected.

What has the Treasurer done with the Disability Services Commission? He has applied exactly the same cut to it as he has applied to other agencies—no discretion, no analysis and no discernment between agencies. As far as the Treasurer is concerned, they are all the same. In child protection we have that level of need for kids, and in disability services we have that level of rejection of families trying to put a son or a daughter into care, when they just want to get that son or daughter into care before they, the parents, die, which I do not think is an unreasonable ask. Those agencies are being treated exactly the same as any other agency—Treasury, the Department of the Premier and Cabinet or the Department of Agriculture and Food. Every other agency gets treated exactly the same as these two. To me, they are small agencies by comparison; they do not have big budgets. If the Treasurer wanted to show a bit of care and compassion, he would treat agencies differently, according to need. That is what we are saying to the Treasurer here. He has used a blunt instrument, and he has used it very, very badly, and he has used it very unfairly. These agencies do their best and—let us be frank—the people who work in these agencies deserve a medal. When we visit these agencies and see what these people do, we can see that they deserve a medal. They do not sit around the courtyard drinking coffee. They have hard jobs and they do not get paid well. The Treasurer is saying that he will put a full-time employee cap on each of those agencies. It is in the Treasurer's press release; it is there in black and white. He cannot slip out of that one. He is putting an FTE cap—it is right there—on each of those agencies, which he is not applying to some other agencies, I might add. Each of those agencies needs staff to manage these situations—Child Protection in particular. As a matter of definition according to how it operates, Child Protection absolutely requires another 59 staff as a minimum to look after those 883 children. The Treasurer is saying that it cannot employ those 59 staff. That is what he has said. It is unable, by matter of direction of the government, to employ those 59 staff, and the Treasurer has the audacity and the hide to allege that it is not impacting on front-line services.

To me, they are front-line services. This is what counts. These are the matters that count, not whether George Michael is coming to Western Australia. These are the matters that count, and these are the matters that the Treasurer should be dealing with, and this is a matter that the Premier should have gone out and dealt with this morning—not a ridiculous announcement to do with a concert at some time in the future. Dealing with children and people who suffer from disabilities is, to me, a far more important matter for us to deal with.

Before the Treasurer stands and goes over history, which I know he will, let us just remember who established the Department for Child Protection, who put in the budget and who made sure the department was very heavily staffed with, I might add, a massive increase in staff and personnel when it became apparent that there was a problem. Who put in place mandatory reporting? Who put in place working with children checks? Who put in place the Gordon inquiry? Who put in place multifunction police stations around regional Western Australia? Who put in place the Commissioner for Children and Young People? Labor did all those things. Every one of those initiatives was put in place by the former government. The Treasurer needs to answer for what his government has done and not go over the past in the way he does. He needs to answer how he will manage these issues and not smile away the issue of kids who are potentially subject to abuse. I know that it is not something that appears to be high on his radar, but it is on ours.

MR D.A. TEMPLEMAN (Mandurah) [3.00 pm]: I rise to support the motion moved by the Leader of the Opposition. It is very disappointing to see so few members from the other side in the chamber this afternoon to participate in this important debate about the welfare of our most vulnerable children in Western Australia. How many members opposite are here this afternoon? Fewer than a dozen members on that side have the decency to be part of this important debate this afternoon. In all the communities of members on that side, there are children who make up the statistics the Leader of the Opposition highlighted this afternoon. Children in the communities of members opposite at this very moment do not have allocated caseworkers to assist and support them and their families to ensure they are safe. No-one on that side will stand and support those children this afternoon. They will let the lackey on their side—the Treasurer—respond. But none of them will stand and support this motion this afternoon. It is particularly disappointing that the Deputy Premier is not here. We know the Premier is not here this afternoon; we know how interesting his pair requests are becoming, but I will come to that shortly. It is a disgrace that there are not more members on the other side here this afternoon to support these children who are at risk today and now at even more grave risk because of the announcement by the Treasurer that their budget will be cut by up to \$25 million over the next four years. We already know that the Department for Child Protection was set up by the Labor government when it was in power and was supported by a raft of other measures that the Leader of the Opposition has highlighted.

The number of those children whose names were read out today will grow. We know already that this state does not, for example, attract enough foster carers—people who are able to assist some of these children. What is this government doing now? This government is increasing the vulnerability of the 883 children who, at this date, do not have a caseworker allocated to them. Let us look at some of these areas again. It is not about children in only the metropolitan areas of Cannington, Armadale, Peel, Fremantle, Joondalup and Midland; it is also about children in regional Western Australia. Where are the National Party members this afternoon to stand up for those children who are vulnerable in their communities? National Party members are always missing. Whenever a real debate is going on in this place, they are missing. The National Party members are always missing in action from their seats during debates that are as serious as this debate is today. That is a disgrace.

Mr V.A. Catania: I'm here.

Mr D.A. TEMPLEMAN: We all know about the member for North West. Do not get on to him; we will get on to him later. The fact of the matter is this: these cuts announced by the Treasurer will cut deep. We already know that the director general of the Department for Child Protection said a few years back that any further funding cuts will be very, very difficult to stomach. How will he and his department and, indeed, those overworked staff members in the various districts who have already been mentioned and who have caseloads but cannot take on any more, do the important work they do when they now know that their department will have to find even greater cuts? It is a disgrace. And it is a disgrace that members on the other side—members of the government who should be in this chamber—are not here. They are not here. The Deputy Premier in particular should be here, because he represents a community where I live, Peel, and where there are also children to whom caseworkers are not allocated. Where are government members when it really matters?

I want to highlight also the real impact the cuts will have on families in Western Australia, particularly those families who have children or siblings with a disability. As there is in the electorates of many members opposite, there is a lady in my community who is an ageing mum. Her daughter is just over 50 years of age and for the past 20 years she has been supported by community social workers in the Disability Services Commission. Already this government has announced that it will do away with those officers. That is causing the mother, father and daughter extreme angst. It is real. As parents get older and their sons or daughters also get older and a

range of health concerns impact on them, the last thing they need to hear is that those support services will be reduced or, indeed, taken from them. That is the reality we know will happen under this government. That is the reality that we know will happen as a result of these cuts.

If members oppose were looking for efficiency dividends, why in the name of goodness did they go looking at the most vulnerable people in our society? Why? Because they are easy targets. It is easier for the Premier to announce he will spend \$30 million on a “Premier’s Palace” because he can stand back after he has retired from this place, as the Premier will, on a very good pension, indexed for life. He will be able to do that. He has announced it. These people are the most vulnerable people in our community and the Attorney General does not give a tinker’s cuss about them because he has decided that, to achieve his efficiency dividend, he will attack the most vulnerable. How disgusting is that? None of the members on the other side will have the guts to stand this afternoon and say, “Hey, wait a second, this will impact on my community; this will impact on families with children or young people who are vulnerable who might come to the department’s notice or into its care or who have a disability.” It is a disgrace. What members on that side need to do is make sure they rethink this. The Liberal backbenchers should not hide behind the skirt of the Prime Minister and some of the trouble she might have and think, “We’ll get away with all this because there are problems in Canberra”. The people of Western Australia are not stupid. They recognise that the people in government are making some very, very poor and some very, very bad decisions. This is one of them. These people live in the communities of members opposite and they will judge them; they will make sure they judge them. Rather than just listen and vote on the basis of the Treasurer’s rhetoric, which he will get up shortly and deliver, they need to stand and show some guts and say, “Hey, listen, why are we making sure the attacks are on the most vulnerable? Let’s look at some of the fat in some of the other departments that can be trimmed, but let’s make sure we protect the children who are the most vulnerable, who do not have caseworkers and who tonight might be in real danger.” Have some guts, members on the other side, particularly the backbenchers. They should not keep accepting the rhetoric from some of their senior ministers. They will fall for it and then they will be judged very poorly, particularly when very many families are hurting due to the increased charges for electricity, gas and water. Those families are hurting. Why is the government attacking the most vulnerable? Why? Why? Why? That is what the government is doing. The backbenchers should show some guts and support this motion. Go into the Liberal or National Party room next week and say, “This is a bad idea. We shouldn’t be attacking the most vulnerable. We should be making sure that those departments are exempt from any of these proposed cuts.” They are real cuts that will have a real effect, and the effect will be dismal, negative and savage on the very people who least deserve them.

MR C.C. PORTER (Bateman — Treasurer) [3.10 pm]: In opposing this motion, I want to go through some of the budgetary facts that surround this issue. I know that the member for Mandurah engages in a bit of theatre from time to time, but to seriously suggest that members on this side of the house do not give a tinker’s cuss or are attacking the most vulnerable bears absolutely no relationship whatsoever to the financial truth. If it did, there might be some willingness or preparedness to cop that sort of criticism, but in the absence of any correlation between what the member is suggesting and the financial truth, it is the member for Mandurah’s statements criticising members on this side of the house that are reprehensible and disgusting. If he wants to say those sorts of things and not have any financial truth sitting behind what he is suggesting, that is the poorest of form in this place. I will go through dollar by dollar and explain what is happening in a sober and rational fashion so that everyone can understand what is being proposed as this measure pans out.

It is the case, as the Leader of the Opposition suggested, that the Department for Child Protection was essentially set up during the 2006–07 financial year. It was set up, as it properly should have been, with a substantial budget. During the period 2006–07, 2007–08 and 2008–09, its budget increased year on year, as budgets generally do, but not always. I am looking at the details. In the first year the member for Rockingham mentioned, 2006–07, the recurrent budget for the Department for Child Protection was \$247 million; in 2007–08, that increased to \$260 million; and in 2008–09, the first year we were in government, the recurrent part of that budget increased to \$301 million. I will give the figures over those three years for the total recurrent and capital components of the budget. As the member for Rockingham pointed out, it started in 2006–07 and was allocated \$251 million, then \$284 million and \$308 million. They were fairly strong increases in its budget over the three years after it was first set up. The member for Rockingham asked me to not go into the history of this matter, and I will not spend much time on it, but the history of the matter and the reason that it was set up and that increases had to be made is that the system that existed for the great bulk of time under the previous Labor government was completely dysfunctional. I do not think anyone on either side of the house would disagree with that proposition. It was completely dysfunctional.

What this government inherited in the 2008–09 budget was a \$308 million total budget for DCP. I go now to the press release the Leader of the Opposition put out this morning in which the Leader of the Opposition said —

Barnett Government cuts Child Protection funding by \$25 million ...

The Barnett Government's decision to cut more than \$25 million from the Department of Child Protection meant more children suspected of suffering child abuse would go without a case worker ...

The contention there in black and white, which the Leader of the Opposition wants people to believe—correct me if I am wrong—is that over the four years the budget for Child Protection will decrease by \$25 million because of the efficiency dividend that this government has announced. That is what the Leader of the Opposition wants people to believe and that is what he said in his press release. Is that correct?

Mr M. McGowan: What does “five per cent cuts” mean?

Mr C.C. PORTER: Is it correct or not, Leader of the Opposition? You have got up in here and made some very strong statements.

Mr M. McGowan: What does “five per cent cuts” mean?

Mr C.C. PORTER: The Leader of the Opposition has got up here and made some very strong comments —

Mr P.C. Tinley: You've made some very strong statements about five per cent cuts.

Mr M. McGowan: What is a five per cent cut, then?

Mr C.C. PORTER: The Leader of the Opposition said —

The Barnett Government's decision to cut more than \$25 million —

He is suggesting that the DCP budget in four years' time will be \$25 million less than it is now.

Ms R. Saffioti: No, it means \$25 million worth of cuts.

Mr C.C. PORTER: Does it?

Ms R. Saffioti: Yes.

Mr C.C. PORTER: Let me tell members this: the Department for Child Protection's budget will grow. It will grow next year. In four years' time it will grow—very strongly in fact. The amount that it has already grown under this government is nothing short of exceptional. When compared with the three years of growth, which themselves were solid, as they should be, what has happened under the first three years of this government has been absolutely extraordinary.

Mr M. McGowan: Then why do all those kids not have a caseworker?

Mr C.C. PORTER: I will get to that in a moment. I have read the Leader of the Opposition's press release, and everything in it that I know anything about is wrong—absolutely deadset wrong.

Dr M.D. Nahan: Are you surprised?

Mr C.C. PORTER: Not particularly. As to the 883 cases, I am seeking that information from the relevant minister. Everything in the Leader of the Opposition's press release that is a financial statement is absolutely 100 per cent incorrect, yet off the back of that complete nonsense, the Leader of the Opposition makes the strongest possible parliamentary statements imaginable that question the character of everyone sitting on this side of the house. If the Leader of the Opposition cannot get it right as a first measure, he should not be making those sorts of statements.

I will describe to the Leader of the Opposition the budgetary process for an agency to increase its budget. I find that the Leader of the Opposition has a staggering misunderstanding of these processes.

Mr M. McGowan: Staggering? Dear me, chaps.

Mr C.C. PORTER: It is. It is phenomenal. I can use more adjectives if the Leader of the Opposition would like.

Each year ministers present to the Economic and Expenditure Reform Committee. I have been there for only two years but I have never seen a minister ask for less money. Generally they make a submission about getting more money and, generally speaking, they do that under three heads of submission: they may ask for more money for new individual stand-alone projects or initiatives; they may ask for more money for growth in demand, and often when that happens there is significant debate about how growth in demand is measured; or they will ask for more money to provide better services for what they have identified as existing demand. That is what Minister McSweeney has done year after year in government over the last three years.

Dr M.D. Nahan: The whole three.

Mr C.C. PORTER: Indeed. As I noted, we inherited a total budget for DCP of \$308 million. That was made up of \$301 million in recurrent funding and \$6.7 million capital funding. In the three years that we have been in government that budget has increased to \$466.5 million. That is a recurrent increase from \$301 million to \$457 million and a capital increase of \$6.7 million to \$9.2 million, which is a total overall increase of the budget

over the first three years of this government of 51.5 per cent. That is absolutely extraordinary by any measure, Leader of the Opposition. The reason that we had to do that major extraordinary recalibration of the budget of the Department for Child Protection is that it had been underdone while the Labor Party was in office. For the Leader of the Opposition to come in here and accuse this government of having done something either poorly or wrongly or in a miserly fashion in the realm of child protection is nothing short of a joke.

Let me turn now to the Disability Services Commission. We inherited a budget of \$348 million and over three years that budget has increased to \$536 million—an increase of 53.7 per cent. Recurrent expenditure is up from \$348 million to \$534 million. The capital budget of disability services when we inherited it was \$30 000; it is now up to \$2 million—a 680 per cent increase. Overall, over the first three years of this government, the Disability Services Commission has had a 53.7 per cent increase.

In summary, of the two departments, each minister, year on year over the three budgets under this government, has turned up and sought more money for new initiatives, growth in demand or better service delivery for existing demand, and they have been extremely successful by any measure. Historically, it would be difficult to envisage a departmental budget that has increased by half its existing budget in three years. It is nothing short of extraordinary. I am telling the Leader of the Opposition that inside that incredible growth is the context in which anyone has to consider the fact of an efficiency dividend being applied into the out years. What happens in all agencies, no matter how meritorious the nature of their work, is that when they experience a 50 per cent increase in their budget in an extraordinarily short time, there can creep into the administrative services of the agency waste and inefficiencies. The fact is that it has not merely increased over the initial three years, but those increases will be ongoing. Each year ministers will come back and ask for more money, and I can tell members—they will see it in the budget when it is delivered—that we already project, notwithstanding the efficiency dividend, further growth off the base of 50 per cent. But what is unreasonable, member, about asking any agency or department—particularly an agency or department the work of which is meritorious but which has experienced unprecedented levels of increase in recurrent and capital expenditure—to go through a process of taking stock and finding efficiencies and savings? We on this side of the house say there is nothing wrong or improper about that. Everything the opposition has said in a financial sense is absolutely incorrect. In fact, even that \$25 million figure—if that is meant to represent two per cent over four years—is incorrect. Everything is wrong. Off the back of those incredibly inaccurate statements came the most heated invective that members could imagine in this place, particularly from the member for Mandurah.

Mr B.J. Grylls: They criticise us for not being in the house, then leave.

Mr C.C. PORTER: Yes; remarkable, is it not? The strongest language possible and then leave.

What I would say with respect to that efficiency dividend process is that it needs to be considered in the context of not only the massive budgetary increases of many agencies under this government that have occurred over the past three years, but also, even in this budget which will be announced very shortly, the further increases they will receive on top of them. This is a time to take stock and look at whether savings can be found inside the budgets. That is the first context in which these efficiency savings have to be considered.

The second context is the loss of \$600 million because of the goods and services tax and the Commonwealth Grants Commission's recommendations to the federal government, which it is expecting. The fact is that whether it was the Labor Party in government or us in government, if our share goes down from 75c to 55c in the dollar literally overnight and we lose \$600 million, we are faced with two choices: we act immediately to achieve savings in our budget or we run deficits. The unfortunate financial reality of the situation we find ourselves in is that there is no third choice.

Mrs M.H. Roberts: Change your priorities—that would be a choice.

Mr C.C. PORTER: Well —

Mr B.J. Grylls: We've had those debates.

Mr C.C. PORTER: We have had those debates, and I have continually asked where the opposition would find these savings. The continual answer has been the cabinet offices.

Several members interjected.

Mr C.C. PORTER: I will accept that.

Mrs M.H. Roberts: You put children at the bottom!

Mr C.C. PORTER: The Labor Party is supposed to be an alternative government, member, yet it acknowledges that savings are necessary but is unwilling to tell us what they would be.

Mrs M.H. Roberts: We know what our priorities are.

Dr M.D. Nahan: They're also going to subsidise electricity!

Mr C.C. PORTER: The freeze on electricity pricing it is proposing will cost \$1.6 billion.

Ms R. Saffioti: How much have you got in your forward estimates then?

Mr C.C. PORTER: The member will see that very shortly.

Ms R. Saffioti: So you're going for full cost recovery in four years—is that what you're saying?

Mr C.C. PORTER: No, member. We are going to continue as a government to lose taxpayers' money in subsidies to the electricity utilities; I can assure the member of that! As the Treasurer, it is a painful thing to watch, but I understand why we have to do that.

Several members interjected.

The ACTING SPEAKER (Ms A.R. Mitchell): Members! Thank you.

Mr C.C. PORTER: We face two choices: we act immediately to achieve savings or we produce budget deficits—not just one, but several across the out years. I do not know whether anyone disagrees with that proposition; it would be difficult—factually impossible in my view—to disagree with it. So we try to find savings. The member makes the point that an efficiency dividend is a blunt instrument. The two responses I would give to that are that the three per cent efficiency dividend was Labor policy. It was its idea. When we instituted it—the Labor Party would have to have instituted it had it won government —

Several members interjected.

Mr C.C. PORTER: Indeed! It turned, remarkably, from economic gospel to heresy in a period of three weeks. It was the Labor Party's policy! It would have had to institute it had it been in government.

I think in one sense it is a blunt instrument for, I acknowledge, the reason that the Leader of the Opposition suggests: that it treats unlike agencies as though they were alike. But the balance to that ledger is that although the efficiency dividend requires a reduction of budget, each year each agency comes in and almost invariably gets an increase to its budget. The time in the economic cycle during which we consider every agency on its individual respective merits of need is not in the efficiency dividend, but in the budget. There are increases in budget, and then there is an efficiency dividend that sits on top of that and has a slightly reductive effect on the budget. But the net effect is growth in the budget. This has been a successful process, because when we instituted the Labor Party's policy of a three per cent efficiency dividend—which was, I think, targeted to save about \$1.6 billion—it saved \$1.46 billion between 2009–10 and 2012–13. Again, a monstrous amount of taxpayers' money was saved; 91 per cent of the target was saved. That is where budget surpluses come from; that is where they are derived. It is a very healthy thing, but I agree with Mr Murphy that it is not without its difficulties. I would not say ministers love the process, but it is a very healthy process for a minister. I went through the process of the three per cent efficiency dividend with the Director General of the Department of the Attorney General and the Commissioner of the Department of Corrective Services, and we went through the process of looking for waste and savings in the budget. In both those agencies that was in the context of increases to the budget that occurred year on year.

So, if the opposition's contention is that this government is decreasing, or has decreased, the budget for Child Protection; or if its contention is that we have decreased the budget for Disability Services, or that we will, over four years, decrease that budget, it is 100 per cent wrong. It is improper to put that to the public of Western Australia because it is wrong.

What I also find remarkable in the context of this debate is that in budget reply speeches last year there were some impassioned speeches—I particularly remember one from the shadow Treasurer and one from the member for Balcatta—about recurrent expenditure growth. I must say that I sat there and found great sympathy with the arguments they were mounting; they were impassioned speeches. I recall that the member for Balcatta described expenditure growth —

Mrs M.H. Roberts: That's more than we can say for your speeches.

Mr C.C. PORTER: There is less passion from me, but there is some accuracy!

Mrs M.H. Roberts: "Passion" is just not a word that comes to mind when we think of you.

Mr E.S. Ripper: We get a facade of accuracy from you.

Mr C.C. PORTER: At least there is an attempt!

Mr J.C. Kobelke: Treasurer, are you saying my figures were wrong?

Mr C.C. PORTER: I am not saying that the member's figures were wrong, and I would agree that recurrent expenditure growth is a challenge for this government. I think the member's description of recurrent expenditure

growth was that over the previous three years it was out of control. I think it was undesirably high, but I think that, compared with relevant periods under the former Labor government, if we are out of control, it was out of control. No modern government—no matter how robust the economic growth—can suffer recurrent expenditure growth consistently above 10 per cent, because unless revenue is growing at that same pace, it is absolutely unsustainable. I agree with the member for Balcatta's submissions of last year, to the extent that that was one of the points that he and the shadow Treasurer were making.

If we look at expenditure growth, I think there have been broad comparisons of the two governments. Last year we did manage to get the actual expenditure for recurrent expenditure growth down to 5.2 per cent, which was a remarkably positive result. My recollection is that at midyear review time the figure had crept up above 10 per cent again, which was unacceptable to me. We have gone through a range of measures over the course of this existing financial year to try to bring that back under 10 per cent. If we do that, in all of the contexts that would be a fairly reasonable result, and if we look at the last two years, we ended up with something like seven per cent or 7.5 per cent over two years. But expenditure growth well in excess of 10 per cent cannot consistently be brought in; it is simply unsustainable.

The difficulty I have with the position that often emanates from members opposite is that there is very strong denunciation of recurrent expenditure growth at the same time that every single savings initiative is opposed. I think that poses the reasonable question: how do members opposite argue consistently and simultaneously that recurrent expenditure growth is too high, but show a complete unwillingness to save money and restrain recurrent expenditure growth?

Dr M.D. Nahan: They're not serious.

Mr C.C. PORTER: Of course not; it is just base politics.

Mr M. McGowan: We just raised the case of two agencies, one of which is about protecting children. I demonstrated a massive increase in the number of children without a caseworker. You have not addressed that in the slightest.

Mr C.C. PORTER: And I have demonstrated a massive increase in funding! When we look at what this government has achieved in that savings space, as I mentioned, in adopting a policy that the previous government proposed—that is, the three per cent efficiency dividend—that saved \$1.6 billion over four years. Without question, during that process there were some matters of contention. Some proposals fell by the wayside because they too readily failed to protect front-line services. But, ultimately, the taxpayer was saved \$1.46 billion and, notwithstanding all the drama that occurred at the time, there cannot truthfully be said to have been some major substantial ongoing impact on front-line services, but the money was saved. The five per cent efficiency dividend that we applied to the government trading enterprises will save \$524 million. I do not know whether any member of this house, government or opposition, opposes that policy. Certainly, I know that no-one on the government benches does. That is \$524 million. In question time after question time, we have questions about how much is being paid to executives and what level of waste there is in the GTEs, but we are saving \$524 million out of the GTEs and we will save more because part of this efficiency dividend process applies to the GTEs. We had 1 138 voluntary separations, which saved the taxpayers of Western Australia \$54 million a year. We adopted a great number of the recommendations of the Economic Audit Committee and its report that we brought in. Between 2012 and 2015–16, that will save the taxpayer \$970 million. Inside all that, just to give members some examples, \$92 million has been saved on government advertising and \$42 million by having less flashy and fewer vehicles given to public servants. I think that these things are the types of savings initiatives that members of the taxpaying public generally expect. If I just might say so, those figures —

Ms M.M. Quirk: How much have you saved on consultants, Treasurer?

Mr C.C. PORTER: I do not have that figure to hand, but when the member looks at that advertising bill —

Mr B.J. Grylls: It's \$27 million compared with your accusation against me!

Mr C.C. PORTER: There we go!

The \$91 million saved in advertising since we came to government is quite extraordinary. The member does not need to worry; I will be looking very hard at the consultants. The way to decrease an agency's budgetary spend on consultants is to force it into an efficiency dividend process. That is the raw fact of this process, and that is how we do it.

Those figures I gave members about the increase in budget for child protection and disability services are not the only areas in which there have been colossal budget increases over the past three years. The mental health services budget has increased by 53 per cent, corrective services by 43 per cent and health services by 53 per cent. There has been a 53 per cent total budget increase in health over three years. Disability services, as I mentioned, increased by 53.7 per cent. All these things represent this picture: yes, this is a government that will

now engage in a process of saving money inside agencies and departments. Is the opposition's contention correct that child protection and disability services will have less money next year than they had this year? No, it is wrong. Will they have less money in four years than they have now? No, that is wrong. Will they be required to look for efficiencies? Yes, they will. Will they be 100 per cent successful? That remains to be seen. The last time we engaged in this process across the board, we were 91 per cent successful and saved \$1.46 billion. But ultimately the problem is twofold. If we do not do this and we spend money in the departments and agencies, as this government has been properly expending it, our recurrent expenditure growth will be too high, which is unsustainable, and we will not be able to produce surpluses. That is it.

Unless the opposition is willing to nominate alternative mechanisms or savings to what this government has nominated, members opposite are proposing budget deficits for the state of Western Australia during a period of economic growth. That is the case because we have not experienced the type of revenue growth that people would expect given the nature of the economic growth that the state is undergoing. The simple reason for that is that our major source of growth revenue, which is mining royalties, is clawed back by the commonwealth government in such substantial percentages that the growth of the economy does not reach the state revenue coffers. I think it was the case that during the period of the previous government, the average that it received back in GST receipts was about the mid-1990s—around the 95, 96 per cent mark. Over the period of the Labor government, we consistently got 95 or 96 per cent of our population share. I do not criticise the previous government for that; that is how it should be. However, the fact is that because of the lag effect in the increase in royalty growth, particularly that three-year lag effect, we now get 55c in the dollar, are looking to go down to 27c in the dollar and are facing a federal government review that says in all probability in the medium to long term that we will get zero. We can either plan for that situation or run budget deficits.

I will say that everything the opposition said on a financial basis today has been wrong and off the base of that quite disingenuous and incorrect information. Members opposite made some volatile statements about this side of the house, which are similarly wrong. It is a very simple thing: if the Leader of the Opposition is going to lead a major party such as he is leading and he wants to come into government and manage the accounts, he has to understand, first, how they work and, second, that he must get his facts straight.

MS R. SAFFIOTI (West Swan) [3.37 pm]: I will take the four minutes remaining to go through some of the things that the Treasurer said. The Treasurer once again created an artificial argument and then debated that artificial argument. He did not address the issues that were in front of him. The Treasurer says that an efficiency dividend is not a cut. What is it? On one hand he says that we had \$1.6 billion savings from the three per cent efficiency dividend but in the next efficiency dividend they are not savings. What are they? There has to be a saving over the forward estimates of the agency to find the savings for what the Treasurer has announced. The Treasurer has to actually find the savings. What the Leader of the Opposition announced today —

Mr C.C. Porter: Member, if you're six-foot and grow another four feet but then shrink two inches, are you taller or shorter than you were before?

Ms R. SAFFIOTI: So did the Treasurer find \$1.6 billion worth of savings or not?

Mr C.C. Porter: It was \$1.46 billion.

Ms R. SAFFIOTI: Did the Treasurer find it?

Mr C.C. Porter: Yes.

Ms R. SAFFIOTI: Did the total budget increase?

Mr C.C. Porter: Yes.

Ms R. SAFFIOTI: So is the Treasurer not just contradicting himself? The total budget increased for the state, yet there was \$1.46 billion in savings. The government can have an increased budget and still find savings. The Treasurer was out there saying how the government had found \$1.46 billion worth of savings, it made \$1.46 billion worth of cuts, yet the state budget increased. Go figure! How do we reconcile that?

Mr C.C. Porter: Again, if you're six-foot and grow by four feet —

Ms R. SAFFIOTI: No; how does the Treasurer reconcile that? He criticised the Leader of the Opposition for making that type of claim, yet he made exactly the same type of claim. The government made \$1.46 billion worth of savings, \$1.46 billion worth of cuts, yet the state budget increased. Of course, the government can have an increased budget and also find savings—of course it can.

I want to refer to another claim made by the Treasurer about the budget in 2008–09. The Treasurer said, I understand, that the recurrent budget for child protection in 2008–09 was around \$301 million.

Mr C.C. Porter: That's about right, yes.

Ms R. SAFFIOTI: Is the Treasurer also taking into account the money parked in the then Department of Treasury and Finance under administered items for child protection?

Mr C.C. Porter: Sorry, parked in DTF under administrative items for child protection?

Ms R. SAFFIOTI: Yes, as the Treasurer's own budget papers state.

Mr C.C. Porter: I'm looking at the state appropriations, which are the proper measure, the year-to-year measure of growth or decline in agency budgets.

Ms R. SAFFIOTI: I will read from the 2010–11 budget, which refers to what was spent in 2008–09. It states —
Funding for the Ford Review recommendations includes a provisional allocation that is excluded from this Item —

Therefore, it is excluded from the chapter on the Department for Child Protection in the budget papers —
as the funds are appropriated as a Department of Treasury and Finance Administered Item.

So there was money in the Department of Treasury and Finance —

Mr C.C. Porter: How much?

Ms R. SAFFIOTI: It was \$15 million —

Mr C.C. Porter: Sorry! I stand corrected!

Ms R. SAFFIOTI: — \$15 million, \$15 million and \$28 million. That is more than \$57 million over three years, so when the Treasurer comes in and says, "We had \$301 million", he is not taking into account the money that was set aside for the Department for Child Protection —

Mr C.C. Porter: It was \$316 million, then.

Mr M. McGowan: No, she said \$57 million.

Ms R. SAFFIOTI: Over three years. So if the Treasurer is going to get his facts wrong, he should actually check them before he comes in here, instead of making ludicrous claims.

Mr C.C. Porter: The difference is that when I make mistakes, I acknowledge them.

Ms R. SAFFIOTI: There was money in the Department of Treasury and Finance budget for administered items for the Department for Child Protection. The Treasurer came in and I think he deliberately ignored that, because any Treasurer would have had that information in front of them.

In relation to the cuts, of course the budget is increasing, but of course the Department for Child Protection will be asked to find cuts; that is the process. Of course it will be asked to find cuts and savings; that is what an efficiency dividend is. We looked at a two per cent cut in 2012–13 and one per cent for each of the following years. That is how we have added up the \$25 million, and if the Treasurer wants to say that we are wrong, let him tell us exactly what the cut is; let him tell us what the savings are. He comes in here, creates a straw man, and argues to that; he does not actually address what is said. He reinterprets what is said into what he believes he can debate, and then he has a debate with himself—again and again and again. The fact is that these are savings and these are real cuts. DCP, through the budget process, will be asked to find those cuts and savings. As has been outlined, this means cuts in a very, very vulnerable area of government, where demand is increasing and we have children at risk.

What we on this side argue for are priorities, and I think the "Premier's Palace" continues to be a shining example of this government's wrong priorities. In one term it can plan, fund and finish the "Premier's Palace" when there are other projects around the state that require the government to actually commit funding. We are arguing over the wrong priorities, and, as I said, the argument that we cannot have cuts in the budget means that the Treasurer did not reach \$1.46 billion in cuts because of the state budget increase; that is absolutely false. As I said, this state government put money into the Department of Treasury and Finance under administered items; what it did with it afterwards, goodness knows. I lost \$28 million in that tracking, so whether the government took it out and put it back a couple of years later, I do not know, but this is a clear example of a government with the wrong priorities. If the Treasurer thinks we are wrong, let him tell us the real amount.

MR A.P. JACOB (Ocean Reef) [3.43 pm]: I will not speak for long; I suspect some of my colleagues would like to say a few words after the member for Mandurah's contribution! But I pick up on the member for Mandurah's contribution, in which he accused us of not being willing to speak and stand up for an area such as this. As the Treasurer said, it is a particularly volatile debate and I really felt it would be appropriate for someone on the government backbench to stand up and put forward our position.

I personally do not want to buy into the sort of one-upmanship that has defined most of the opposition's debate; it has all been about who supposedly cares the most, and I do not think that that is a particularly elevated way to

handle this debate. The fact is that disability issues and carer issues affect us all; they are, indeed, issues that we all deal with not only through our electorate offices, but also, I suspect, in our families and personal lives at various levels. It really becomes more of an ideological debate about how to handle these things, and I do not think it would ever be fair to say that one side cares more about this issue than the other.

The Treasurer made a number of very good points about funding and provided some figures on the increases of predominantly more than 50 per cent that we have seen in this budget. I do not think it would be fruitful for me to drill down into that detail; he clearly has a better grasp of it than I do, but I would go so far as to say that when we discuss efficiency dividends in areas such as the Disability Services Commission and the Department for Child Protection, it is even more important that we ensure that every available dollar is going to the people and families who need it the most. In doing that, we must ensure that if there is any waste or internal duplication—in an atmosphere of an increase of more than 50 per cent, one would think there would inevitably be some elements of duplication and some areas where the discipline of an efficiency dividend can be taken on—we must take the opportunity to look again at where public moneys are going. We need to absolutely squeeze every dollar that is going through these departments to ensure that the money is going to the people who deliver the front-line services and those people who need it the most.

Many members of the opposition may disagree with this position; they may say, “This cause is just. This is the Disability Services Commission and the Department for Child Protection, so we should just give them a pipeline to the state Treasury, not put the ruler of discipline over how they spend it and not examine their funding proposals; just hand them over as much public funding as they want.” I agree that we have to absolutely make sure that this area is resourced to the greatest capacity it possibly can be, but the only way we can do that is by periodically applying these types of measures. We need to periodically ensure that we are squeezing any areas of duplication or potential waste to make sure that we are pushing the dollars towards where they are needed. As I said at the beginning, that is more of an ideological debate, and I do not think it has served anybody very well to descend into the one-upmanship of who cares more. Quite simply, if savings can be made with public money, I believe that they should always be made, because this is a finite resource. This is ultimately money from those families we are trying to serve that we have taken through the government departments and put back out there into our communities. It is only the community’s money in circulation here, and we have to absolutely ensure that it is prudently dealt with, particularly in an atmosphere of increasing demand, as the Leader of the Opposition mentioned.

Question put and a division taken with the following result —

Ayes (22)

Ms L.L. Baker	Mr J.C. Kobelke	Ms M.M. Quirk	Mr P.B. Watson
Dr A.D. Buti	Mr F.M. Logan	Mr E.S. Ripper	Mr M.P. Whitely
Ms A.S. Carles	Mr M. McGowan	Mrs M.H. Roberts	Mr B.S. Wyatt
Ms J.M. Freeman	Mr A.P. O’Gorman	Mr C.J. Tallentire	Ms R. Saffioti (<i>Teller</i>)
Mr J.N. Hyde	Mr P. Papalia	Mr P.C. Tinley	
Mr W.J. Johnston	Mr J.R. Quigley	Mr A.J. Waddell	

Noes (25)

Mr P. Abetz	Mr M.J. Cowper	Mr R.F. Johnson	Mr D.T. Redman
Mr F.A. Alban	Mr J.H.D. Day	Mr A. Krsticevic	Mr M.W. Sutherland
Mr I.C. Blayney	Mr J.M. Francis	Mr J.E. McGrath	Mr T.K. Waldron
Mr J.J.M. Bowler	Mr B.J. Grylls	Mr P.T. Miles	Mr A.J. Simpson (<i>Teller</i>)
Mr T.R. Buswell	Mrs L.M. Harvey	Ms A.R. Mitchell	
Mr G.M. Castrilli	Mr A.P. Jacob	Dr M.D. Nahan	
Dr E. Constable	Dr G.G. Jacobs	Mr C.C. Porter	

Pairs

Mr T.G. Stephens	Mr C.J. Barnett
Mrs C.A. Martin	Dr K.D. Hames
Mr D.A. Templeman	Mr I.M. Britza
Mr R.H. Cook	Mr V.A. Catania

Question thus negatived