

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

*Estimates Committee A Report*

Resumed from an earlier stage of the sitting.

**MR D.A. TEMPLEMAN (Mandurah)** [2.45 pm]: I was on my feet before the break at 1.00 pm and was about to explain that we need to seriously look at the way the Assembly Estimates committee program is presented. I am speaking about committee A specifically, but my comments also relate to committee B. The estimates committee process sees a number of portfolios clumped together and then it is ultimately up to the committee to determine what time is spent on a particular portfolio area. I want to highlight a couple of examples in committee A in which significant portfolio areas were not attended to, ultimately because time had run out.

In committee A on Tuesday 20 May the Premier was responding to questions relating to his portfolio areas. The Department of the Premier and Cabinet was the most significant division, but there was also division 4, Public Sector Commission; division 5, Governor's Establishment; division 6, Salaries and Allowances Tribunal; division 7, Department of State Development, which we know is a very important aspect of the state's economic future; division 8, Chemistry Centre (WA); and division 28, Western Australia Electoral Commission. The Premier's portfolios were set down for 2.00 pm and were concluded at 6.00 pm, so four hours was allocated. However, when we consider the large scope of areas that were expected to be covered in that four-hour period, we have to ask whether enough time was committed to that.

The other significant portfolio area that followed that evening was under Minister Nalder and included the important divisions of the Department of Transport, the Commissioner of Main Roads, the Public Transport Authority, and then the Department of Finance, which was division 75. Only three hours was set down for those divisions. Then, on Wednesday 21 May in Assembly Estimates A, the portfolios of the Minister for Health were given a slightly bigger guernsey, given the importance of Health. His two portfolios are WA Health and the Department of Training and Workforce Development, and a substantial period of five hours was allocated for them. Then we came to the portfolio that was of particular interest to me, the Department of Local Government and Communities, which was given three hours. In this division the minister was quizzed by me as shadow minister, and also by other committee members, on the government's forced amalgamation proposal. The minister, basically, could not answer any of the questions, particularly those we put to him on whether the amalgamation reform was based upon any economic analysis. The question that has been asked by many people in the sector, the community and in this Parliament is: what is the evidence and economic analysis that supports the minister's proposal to reduce the number of councils in the metropolitan area? The minister could not answer any of those questions. In fact, I tried to come to that question from numerous angles, but still got the same stonewall answer. The reality is that the minister does not know the answer to how much it will cost Western Australians because he has not done that analysis.

Other issues within that division related to the communities portfolio—a portfolio that I once held. The communities portfolio is actually one of the most important portfolio areas because it deals with big sectors of our community. It includes seniors, volunteers, and young people, as well as people who are the recipients of various community-based support programs or support funding. Yet, we were allocated three hours to address the issues related to that portfolio.

I then attended Estimates Committee A on Thursday, 22 May, which included Fire and Emergency Services, State Emergency and Corrective Services. We were given a period of four hours for that. The question would be asked: what is an appropriate amount of time? The problem, which we all know, is that the government tries to ask all the questions to tease out the minister to provide a detailed response about any positive aspects in the budget. In this budget we know that there are very few positive aspects. Estimates really is very much about ensuring the opposition in particular has an opportunity to ask questions and, by convention, is given a greater proportion of the questions. There are some past and present masters of this in the estimates committee: I noticed that the famous "I have a supplementary question to a supplementary question to a supplementary question" or "I have an additional question to a point that has already been asked", which I saw as both a Whip and as a committee member, put into practice. In many cases it was a delaying tactic by government members to take up time to reduce the number of substantial questions the opposition could ask. I will provide a couple of examples. In one portfolio area, a number of answers were sought and the parliamentary secretary used the opportunity to allow the public servants to give quite detailed answers which, in my view, added to the time taken up to answer. On a couple of occasions members of the opposition stopped the public servants during their answers and said, "We don't want that information; we just want a simple response to X, Y or Z."

As we look towards next year, I honestly believe there is a need to look closely at this a lot further out than the quite chaotic lead-up to estimates. It is not only a busy period for Whips, it is also a busy period for the Clerk,

members of Parliament and staff members, mainly out of the Premier's office, to pull together the estimates committee program. In a fairly short period they pull together a committee list and ensure that everyone knows exactly who is doing what and who is in it. Before the next estimates period, the committee should meet to formalise the program. It is a very short meeting; I think it should be much longer. Refreshments should be provided but I have had that debate and lost! Apart from that, we should bring that committee together earlier—a number of weeks earlier—to formalise what needs to happen in preparation for estimates in 2015. One item could be to look at the times allocated to particular portfolio areas. For some ministers who have a large portfolio workload, we need to look at time allocation. I might ask the Clerk this privately of course: I would be interested to know how much estimates has changed over the past 10 to 15 years. I am not 100 per cent certain, but I understand that there was a period when estimates was actually longer and went into a Friday. I think we should get together earlier next year to work out which portfolios and areas will attract greater attention.

I will provide a couple of examples before I conclude. During Estimates Committee B, the regional development portfolio had nine regional development divisions because there are nine regional development commissions. This year, there were no representatives from each commission. That is not what happened previously. I can understand the reason given, but I think we should have been consulted prior to the decision being made on our behalf. The question was asked: is it worthwhile, from an expense perspective, to fly CEOs—some of them could drive—to an estimates committee where they actually may not even be called upon to answer questions? I can understand that argument, but we should have been consulted about that. We should have said, "Okay, we will be doing Regional Development." The opposition has three committee members. We could have been asked whether we wanted to ask some questions of a particular development commission and whether we would like someone there to at least answer the questions. The minister took it upon himself to answer all the questions. In fact, when the opposition asked questions specific to some of those regional development commissions, he was unable to answer them. Even the director general was not able to answer specific questions about specific regional development commissions. That is another example of something we should discuss well prior to the committee.

I really think if we do not do that, the value and the capacity of estimates to deliver what we think it should deliver may be compromised. I propose, through the Speaker's leadership, that as we move towards estimates next year, he might convene the committee, perhaps over a lunch period. I would expect the meeting would go for probably the full hour, therefore refreshments may be required; but I would ask the Speaker to consider that so we can actually nut out well before estimates the time allocation issues. It is chaotic in the week or so before the publishing of the actual "final final" program. This year there were about five final finals. It was chaotic because people changed; we had to swap people around et cetera. I hope the Speaker will consider that in our preparation for next year's program.

**MR W.J. JOHNSTON (Cannington)** [3.00 pm]: I know that the member for Victoria Park wants to say a few words, so I will leave him a couple of minutes, but I wanted to draw attention to a couple of issues regarding answers given in Estimates Committee A. The first one relates to the Department of Mines and Petroleum and the minister. During the estimates committee hearing I asked the minister why he did not think mine deaths was an issue affecting the agency. His answer was quite long. I will not read it all. He said —

Safety is our number one priority. This column of significant issues impacting on the agency refers to an external environmental issue impacting on the agency ...

I pointed out to him that one of the significant issues affecting the agency, as set out in the budget papers, was the capital and operating costs in the resources sector, especially for labour et cetera. These issues affect the employees under the agency's responsibility but not mine deaths. That answer was very disappointing. My view is that mine deaths is the number one issue. I am sure that the Acting Speaker (Ms J.M. Freeman) would agree that mine deaths is the number one issue impacting on the minerals and resource sector.

Further, in the housing portfolio, I want to draw the attention of the chamber to information that was provided in estimates regarding the cash balances for the Housing Authority. The Housing Authority is significantly reducing its expenditure on constructing houses from \$711 million in the financial year that is just closing to potentially less than \$300 million by the year 2016–17. The cash balance of the agency will go from a figure of around \$9 million up to hundreds of millions of dollars at the same time as it is cutting expenditure on new houses. I make the point that the Department of Housing funds its own activities. It sells properties. It takes action in the market. It is not funded by the consolidated account. It is not funded from taxes. It is under "Current Assets" on page 530. The estimated actual on 30 June 2014 is \$9.66 million, rising to \$329.047 million by 30 June 2016. The authority is cutting expenditure on constructing houses at the same time as expanding its cash assets. The Housing Authority is not being used to house the people of Western Australia; it is being used to hide the debt of the state. It is being used to reduce the net debt position of the state.

Question put and passed.

*Estimates Committee B Report — Adoption*

**THE ACTING SPEAKER (Ms J.M. Freeman):** The question is —

That the report of Estimates Committee B be adopted.

**MR B.S. WYATT (Victoria Park)** [3.04 pm]: I rise to speak to the report of Estimates Committee B, which included Treasury and the Insurance Commission of Western Australia. A couple of areas are of particular interest to me. The nature of estimates is that we end up seeking very specific information without the opportunity for a broader discussion. I think we have had that opportunity during debate on the Revenue Laws Amendment Bill 2014 over the past couple of days, which has been quite useful.

First, I want to make some comments about the Insurance Commission. It is an area of interest because of the decision made by the government to impose a dividend on the Insurance Commission and not declare that in the midyear review of 2013–14—indeed, not only to not declare it but to specifically instruct the Department of Treasury to remove that reference—and then to find out by way of the 2013–14 budget that a dividend had been imposed. Since that time I have had a number of discussions with Mr Whithear, the chief executive officer of the Insurance Commission. The previous Treasurer, the member for Vasse, was kind enough to ask Mr Whithear to give me a briefing on the status of the Bell litigation, which was useful. One thing I did note was the significant improvement in the finances and the turnaround of the Insurance Commission. For example, I made the point that in 2012–13, the Insurance Commission reported a profit before income tax equivalent to \$424 million, whereas in 2011–12 that had been a loss of \$184.7 million. Out of the discussion with Treasury last year, when the member for Vasse was Treasurer, came the view that one of the more significant impacts on the profitability of the Insurance Commission is the discount rate that is applied to liabilities. I was curious to see what impact that had on the loss in 2011–12 and the profit in 2012–13. Mr Whithear was good enough to provide that by way of supplementary information B32 through the Treasurer. He made the point that in the 2012–13 financial year, the discount rate increased by an average of 0.8 per cent, which resulted in a \$21.5 million decrease in the actuarial assessed outstanding claims liabilities of a third party insurance fund of the commission. This decrease in outstanding claims liabilities resulted in an increase of \$21.2 million to the Insurance Commission before tax. I guess that about five per cent of that profit came from that change in the discount rate. Interestingly, in the 2011–12 financial year, the discount rate had decreased by an average of two per cent, so there is a significant difference between the two years. That had the impact of decreasing the profit before tax of the Insurance Commission by \$119.4 million, bearing in mind that the loss was \$184 million. The discount rate contributed in the vast majority to the loss of the Insurance Commission in the 2011–12 financial year. The Insurance Commission does have volatile results, not just as a result of that return but because of what discount rates do.

The Treasurer in his response—I assume provided by Mr Whithear—said that the discount rates followed commonwealth Treasury bonds. We are now expecting significant dividends paid by the Insurance Commission each year across the forward estimates. I made the point that the change between the 2013–14 economic and fiscal outlook and the 2014–15 economic and fiscal outlook in expected tax expenses and dividends from the Insurance Commission out to 2017 was an increase of \$69 million in the space of about one year. It is not an insignificant expectation that the Insurance Commission will be in a position to deliver much greater flows of dividends to the state government over the four years. To be fair to Mr Whithear, I will put his response to that question on the record. He said —

The taxation effects are a significant change in particular in that up until the forecast period from here, the Insurance Commission retained a great deal of deferred tax losses from investment losses in its investment portfolio incurred during and subsequent to the global financial crisis. The Insurance Commission was not paying a lot, if anything, in tax equivalent receipts. Those deferred tax losses have now washed through and we have had a couple of good investment years, so we are forecasting a material increase to the tax equivalent payments to the state government.

There is certainly a strong expectation that the Insurance Commission of Western Australia will return to the state government much higher dividends than was expected just a year prior.

The conversation I had with the Treasurer was interesting for a number of reasons. Noting his comments in the paper—they were not made by the Treasurer, but were done through one of his spokesmen—that he would like to abolish stamp duties or conveyance duties, I put to the Treasurer that if he were to abolish conveyance duties or stamp duties, he would need an alternative revenue source. I asked him whether he was actively considering a broader reform to land tax, because last year as Minister for Finance he indicated that he was undertaking a broad review of the Land Tax Act. He answered no; indeed, the new Minister for Finance confirmed last night that there is no review of the Land Tax Act, but much more focus on land tax and primary producers. It is an interesting turnaround, and a missed opportunity for what could have been a broader review of the land tax regime.

The other areas of discussion with Treasury tended to follow courses that were similar to previous years when we asked questions and compared the answers that were previously given to the opposition. The federal Abbott budget dominated some of the questions this year, because the Premier made some comments during committee A in this place about the impact of that budget on the finances of the state, which we sought to clarify with Mr Barnes, the acting Under Treasurer. Again, what I found to be of interest was that they had not factored in the expiry of four different national partnership agreements that are noted specifically in the statement of risks in budget paper No 3 that were assumed by Treasury to expire and not be renewed. That did not have an impact on the budget because the budget had not assumed the settlement of those national partnership agreements and the revenue that flowed.

I will make some broader comments about the budget during the third reading debate, which is not too far away. Other members have made the point that some time beyond what we are given would be of use. The obvious example in my situation was that I, as shadow Minister for Aboriginal Affairs, and the shadow Minister for Fisheries were given one hour to deal with both Fisheries and Aboriginal Affairs. No member could suggest for one minute that that is an adequate period to comprehensively, or at least vaguely adequately, cover those two portfolio areas. However, I acknowledge that the Deputy Premier, who was representing the Minister for Aboriginal Affairs and the Minister for Fisheries, was more than generous about the supplementary information he was willing to provide. Ultimately, we were left with 25 minutes to deal with Aboriginal Affairs, which is woefully inadequate.

The final point I make is about the role of government members in budget estimates. No doubt if I went through *Hansard*, I would find record of oppositions consistently saying this and making this point, but in light of the increased budget and the increased role of government across areas—indeed, the Premier created a Minister for Finance based on the argument that the finances are much more complex—the time for government members asking dorothy dixers in estimates has come to an end. Dorothy dixers do not add to the debate nor do they add to the accountability or scrutiny of the government, because ultimately government members always have the opportunity of accessibility. If we are to be genuine about transparency and accountability during estimates, the government needs to start looking at removing dorothy dixers from the process.

**MS L.L. BAKER (Maylands)** [3.15 pm]: I rise this afternoon to talk about Estimates Committee B, about which I will raise a number of issues. I was fortunate to chair a number of committees and, as always, it was a good experience for me because I learnt a lot sitting in the chair. A number of issues were not raised in committee B; indeed, there were serious gaps because of the government's inability or unwillingness to address some issues. I will start with divisions 32 and 33, which were the WA Tourism Commission and Western Australia Police. Missing from the discussions, and missing from both committees for the entire week of estimates, was women's interests. Indeed, the Minister for Police and the Minister for Tourism is also the Minister for Women's Interests. I know that not many of my colleagues on the other side of the house want to discuss gender as an issue in Western Australian society, or in Australian society for that matter. But a number of facts that are fairly stark and of increasing importance in our community were omitted. I did not have a chance to have a discussion about women's interests, because the Minister for Women's Interests did not bother to put women's interests on the agenda during estimates. We are talking about only 51 per cent of the population so why talk about women? That is my view about her position on this matter. I could pick any indicator; I will start with the gender pay gap. The research done on the gender pay gap in what was left of the women's policy unit was done a few years ago. Presently the pay gap in Western Australia is 24 per cent; that is, on average women earn 24 per cent less than men. People say that the mining sector is responsible for that, but that is nonsense—it does not. When all the factors are weighted, it does not impact the percentage. Not only is there a 24 per cent gender pay gap, but we have the worst gender pay gap in Australia. Congratulations to this government, because it has presided over a gradual increase in the gender pay gap in this state.

I said that I could pick any indicator, so what about housing affordability? Who suffers from a lack of affordable housing? One could argue that families do, but a hell of a lot of women head family households and single-parent households. Further, some women look after their households while their husbands do fly in, fly out work. I did not have a chance to start a discussion with the minister about what, if any, policy work has been done to look at the impact of the massive increases in the cost of housing and the lack of affordable housing in this state for women. How do women in the north west cope? Does the minister even care about these things? Clearly not, because we were not given the capacity to address them. They were not on the agenda for the two days of the estimates. That is disgraceful.

I do not have to stand here and tell members about the figures on domestic violence. I do not have to particularly underline this anymore than members already know. Most of those who are murdered in this state are women who have been attacked and killed during an incident of domestic violence. Let us not talk about that; that is not worth a discussion in the estimates. Let us not put the government under pressure to tell us what it is doing to address that issue.

I congratulate and applaud the Department of Health for having a women's health strategy; it is fantastic to see. There has always been a women's health strategy. However, what is different now is that the women's health strategy is rolled out under the purview of only the Department of Health. Health is not a matter that is housed in only the Department of Health; funnily enough, health crosses most portfolios. Mechanisms used to be in place whereby police, education, community services and child protection—all the agencies across government—could discuss how they would address the women's health strategy. That has gone under this government and another big hole has been created. That is another omission from this government's policies.

I have stood and spoken many times in this house about women as entrepreneurs in this state and what we should be doing to improve their valuable economic contribution to the bottom line and to ensure that small businesses are strong. I have spoken about what kind of strategies should be directed towards women entrepreneurs to help them start their fledgling businesses for the benefit of not only their bottom line, but also the employment bottom line of this state. Let us not talk about that or bother putting it in our estimates discussions, because why should we bother talking about women?

In March 2013, the percentage of women on boards in this country was 17.6 per cent. I do not think we should be at all proud of that. Where are the strategies that this government is developing to address that? Where are the questions being asked about that? Who is charged with looking at these issues? I managed to ask the Department of Local Government and Communities how many of its policy officers look at issues to do with women. The department does not do anything specifically; it has generic policy officers. Fifty-one per cent of the population is women, the gender pay gap is 24 per cent, women are victims of major crime, the women's health strategy does not go across government portfolios and female entrepreneurs are not assisted, yet women are not worth talking about in the estimates hearings! That is disgraceful, particularly when we look at the number of women in this Parliament—29.5 per cent of MPs in Western Australia are women. In five Australian jurisdictions the percentage of women in Parliament is more than 30 per cent. Labor is not bringing us down, because it has targets for female representation. When I look around this chamber, I am very proud of the women on both sides of the house. I am proud that there are women on the other side, but there are not enough. What are my colleagues doing to address that? Nothing, because they do not want to address the reality that for thousands of years the door has been slammed in someone's face, so we do not just open the door and walk away; we need to put in place strategies to get them through the door and help them once they are through it. "But hey, let us not talk about that in the estimates hearings because it is not worth it!" That is what I gather from the stunned silence of my colleagues when we talk about the budget and commitment or the lack of budget, resources and commitment.

Another important issue on this front is the Equal Opportunity Commission. Of course, the government does not want to talk about that because it is trying to get rid of it. It has depowered the commission and moved it into another place. Let us not talk about equality because equality means that the government would have to shine the light on parts of this society that it has chosen to ignore for a very long time. That is not good enough. One of my roles is Chair of the Joint Standing Committee on the Commissioner for Children and Young People. How hard is it to complete the review of the children's commissioner role? It has been 18 months. How hard is it to appoint a children's commissioner? How relevant is that to the role of women and men in families in this state? The government has not done that either. It has a good record so far! Members on the government side are probably looking at each other and asking: do we even have women in Western Australia? The government does not want to address any of the very major issues. It is not even good enough to have the Minister for Women's Interests dealing with issues to do with women on the floor of this Parliament because the government does not want to take questions on the subject. That is disgraceful.

I tried to look for the best example of the government not dealing with these important issues and I thought of the Blaxell inquiry. Members will remember that a couple of years ago we sat in this Parliament and heard the Premier commit to implementing all the recommendations that came out of the Blaxell inquiry. Do members remember what the Blaxell inquiry was about? It was about the abuse of children in Katanning hostels. The Premier put his hand on his heart and swore that all the recommendations would be implemented. We are now 18 months down the track and the major recommendations on how to report child abuse have not been delivered on. Why would we want to talk about that? With the national Royal Commission into Institutional Responses to Child Sexual Abuse reporting that each day it has 40 incidences of people trying to report abuse, why would we want a mechanism in place that the government promised that it would give us! I looked to the Department for Child Protection and Family Support for a mechanism to report child abuse. I looked to the Commissioner for Children and Young People's office, which is where the Blaxell inquiry recommended that this role could sit. It is not there. I beg members on the other side of the house to, if they look at nothing else, ask themselves: Where is the promised delivery of the protection of children in our state? Where is the government's commitment to delivering that? The community of Western Australia has not seen this. It has dropped off the government's agenda. Is that because there is no mechanism to report so people are not reporting? That is part of the problem. There are certainly many people who wish to report child abuse. There are very, very high-profile cases of so-

called abuse all over the world right at the moment, including cases concerning some of our Australian and ex-Australian residents living overseas. The era that we have come out of will bear huge, destructive, awful, rotten fruit around this issue. It is despicable if the government fails to give children who are now adults a voice in the way that the government promised it would. It is another failure of this government.

My experience of estimates: I started off by saying I had a good time. I had a good time chairing committees, but by crikey I did not have a good time when I started looking at things that should be integral and central to this Parliament, such as the lives of women and children and their safety and protection. As far as I could see, those issues were absent from the estimates hearings. The minister did not even bother to come into this Parliament and address women's interests. She did not even bother to pick it up as an issue. I suspect that it is because the government is so ashamed that it does not have a focus on it. Some members opposite know in their hearts that this is not okay and it is not good enough; they are probably embarrassed about it. I tell government members that it is not good enough. Fifty-one per cent of the population deserves to be recognised and resourced. I argue that the problems and issues facing women in this state are the most critical thing that this government could address. I was very disappointed with this element of the estimates committee. I implore the government not to neglect the majority of the population of this state in next year's budget. Make sure the minister can come in here and answer some of these questions about what she is doing to address some of the key policy issues that affect 51 per cent of the population of this state.

**MR D.A. TEMPLEMAN (Mandurah)** [3.30 pm]: The house is now debating Estimates Committee B, the hearings of which were held in the chamber of the other place. It is always interesting to sit in the chamber of the other place and realise how cold and dismal it is. It makes me realise how privileged we are to sit in a much more vibrant and exciting place, which is of course the Legislative Assembly. In my contribution to the debate on Estimates Committee A, I expressed my concern about the allocation of time. I begin by speaking very briefly about the Regional Development division. Regional development is a particularly significant expenditure for government, with over \$800 million to \$1 billion allocations through the royalties for regions program. The regional development program is very significant. Included in the list of divisions is division 54, under the Treasury division, which is specific to allocations and programs for royalties for regions. Another thing is—and this is the example I gave in the previous committee explanation—there are nine development commissions that have divisions allocated to each of them; that is, divisions 12 to 20. As I said, the interesting experience in previous years has been that nine chief executive officers of each development commission have been present to answer questions in that particular committee. Without the consultation of the opposition, when we fronted up on the Tuesday morning, there was no CEO from any of the development commissions. The reason given, when we quizzed the minister, was that he was seeking to save money because there is a cost issue in having development commission CEOs in Perth for estimates hearing. If I were the Minister for Regional Development, I would have ensured that I scheduled during the estimates week a meeting of the regional commissioner CEOs in Perth. They do it every year. They come down to Perth every year on numerous occasions. On numerous occasions the development commission CEOs are requested to attend meetings with the minister. If I were the regional development minister, I would have scheduled during estimates week—I certainly would have been able to give a closer determination when the day of the estimates committees hearing for regional development was to be heard—a meeting in Perth with those CEOs, knowing that they would all be in Perth. So they would have all been in Perth and they would have been able to do what they are required to do on a frequent basis in Perth for various meetings and then they would all know that on Tuesday, 20 May they are required to front up to Parliament, as is part of the accountability aspect of the Parliament, and be responsible for answering questions if they are asked of them.

That did not happen. The minister was negligent. I think he treated the Parliament, and in particular the estimates committee, with contempt, because he made an arbitrary decision to simply have none of them turn up. Then what happened is a significant number of questions were asked. I recall the member for Eyre asking questions about the Goldfields–Esperance Development Commission which, frankly, the minister could not answer, and nor could the director general. I am not attacking the director general, but the director general could not answer those questions because they were quite specific questions about specific projects, specific to Esperance or, indeed, the Goldfields–Esperance Development Commission area. I had a number of questions concerning Peel that I would have liked to have asked of and answered by the CEO of the Peel Development Commission. She was not at the hearings—she had been told to stay home—yet it would have been an \$8 train ride to get here. I actually again come back to the point I made, Madam Acting Speaker (Ms J.M. Freeman), when the Speaker was in the chair: we need to get together earlier than the chaos that reigns in the lead-up to estimates to nut some of these things out. Quite frankly, it is unacceptable if next year officers are not available.

Another interesting matter is—and I acknowledge everyone has a right to go on leave—that in some portfolio areas, everyone knows when estimates is. Again I am not attacking anyone, but I beg the question: if we truly want to be accountable to the budget and have the capacity to be truly accountable, then I always wonder about when people take leave. I do not want to pick on any CEO or chief of whatever department that happens to be

away during estimates hearings, but I remember during a previous estimates committee hearing that the director general of the then Department of Environment and Conservation was not available during the estimates hearings of that portfolio area. Again, there are many questions that ought to only be answered in estimates by the chief executive officer. Again, if I were a minister—indeed, for anyone who is a minister—then I would demonstrate that the estimates process should in fact be treated with the respect and importance that it deserves and these matters would need to be sorted out.

Treasurer, you are the only minister in the chamber at the moment, so I hope you will share my comments with your cabinet colleagues, because the simple fact is that it is not the minister's decision to decide who should be available or to turn up for estimates committees. Why should he or she be the person who determines who should turn up to answer question? Yes, of course, the minister has got to be there, but, goodness me, part of the estimates process is to ensure, through accountability of government, that the appropriate people who can answer and should be in a position to answer questions if the minister is not able to directly or needs additional information to be provided is there. I put that on record. I have discussed this and I will have another conversation about this with the Speaker. Given what I said earlier today, he has already had a quick chat to me about his views on how we might improve the estimates committee process even more.

The member for Maylands made a very important point. It is about values; it is about what actually is being demonstrated are the values and what is valued. In the example given, if the responsible Minister for Women's Interests did not have the capacity to answer questions or respond to questions regarding matters relating to 51 per cent-plus of our population, then that is a disgrace. The member for Maylands is right. The Minister for Women's Interests needs to take on notice again that she does not simply disregard what she might consider a sub-issue or a less important issue than another one. It is the committee's decision—this is the important point—not the minister who decides how the committee will address or work through the program over the time allocated, whether it is three, four, five or seven hours. The minister does not decide that. The committee decides that. The minister is there to respond and be accountable. It is the committee that has the responsibility of deciding when, what and how questions will be asked. The Minister for Women's Interests has a lesson to learn because, I tell you what, if it happens again next year, maybe she will not be the Minister for Women's Interests, because in my view it is a sackable offence. She should have been dismissed from that position because she was not fulfilling her role.

I refer now to some of the other aspects with regard to Estimates Committee B. On Wednesday, 21 May a number of the energy entities were under scrutiny; the Minister for Energy is in the house today. While I was not an attendee or participant in them, I think the member for Cannington commented earlier about the whole committee process and some issues about the energy portfolios. It is very interesting that we were able to accommodate in this program a full hour for each of the energy entities, Western Power, Synergy and Horizon, but the Minister for Women's interests could not find five minutes for that important area. I honestly believe this is one of the big problems with our process. I mentioned it earlier in my other contribution on committee A. Yes, some of the big ticket items, such as education, health and police should, of course, get more time. I think we all understand that. But we should not allow equally important portfolio areas such as child protection, communities, youth and women's interests to be treated as second cousins. They are consistently treated as second cousins in this process.

I mentioned the other issue in my previous contribution. I would like to know—maybe the attendants can research previous years—whether the time allocated to certain portfolios has changed. Sometimes the importance given to them changes. I can remember when water, for example, was particularly important. It is still particularly important given the drying nature of the state and the fact that our rainfall in the south west of the state is declining, and it will be a major issue into the future. For example, the time allocated to the Department of Water was two hours while the Water Corporation got one hour.

I refer now to an altercation, which may have been in committee A, that I had with the member for Wanneroo in his capacity as parliamentary secretary. Parliamentary secretaries or ministers representing a minister in the other place have a responsibility not to shield the relevant expertise around them from answering the question. It is not their role to gag questions or prevent a proper answer to a proper question. There are a couple of examples. During the hearings on commerce, I asked the parliamentary secretary a simple question about the Retirement Villages Residents Association, which had been trying to meet with the Minister for Commerce about the regulations that had been determined through an act of Parliament. They had been gazetted in April this year but they were aggrieved about one particular regulation because the previous Minister for Commerce had made a very strong determination that fees would not be levied against retirement village residents. He made that very clear. From memory, this occurred also in I think, mental health. On Tuesday, 20 May when the parliamentary secretary effectively—I can understand parliamentary secretaries do not want to get the minister in trouble—prevented an answer from being given. The information from the Minister for Commerce was that despite a number of requests, he has not met with one body that happens to represent the people who live in retirement

villages. If he has not met with that body, I want to know that he has not had meetings with the industry body, because that would be unfair. I wanted to know through supplementary information whether, since becoming the minister after the election, the Minister for Commerce had met with the peak industry body because on two occasions he has refused to meet with the peak body representing the residents. I thought that was a fair question, but the parliamentary secretary said, “No; it’s not an appropriate question; I’m not answering it.” He should have been able to answer that question. It was a simple question but he refused. A parliamentary secretary or a minister representing a minister in the other place should not shield from responding officers sitting around the parliamentary secretary who could provide an answer.

I will give credit to the Leader of the House because he represented the Minister for Education in Estimates Committee B on Thursday morning. Quite honestly, he was quite happy to refer many of the questions that were not within his expertise to the director general. He has some understanding of education having, I think, been a previous shadow minister for that portfolio. I think the director general spoke a lot and we had to sometimes bring her back—this is not an attack on her—to the information we wanted. The fact was that in his capacity as minister representing the Minister for Education in this place, Minister Day was an example of how a minister representing a minister should try to get the answers we were after. I appreciated that.

The other person who I thought did that reasonably well was the minister representing the minister for one of the other divisions. The point I want to make is that estimates is an important process but there are some aspects we need to improve. I have outlined some of those in both my contributions this afternoon and I hope we can take heed of them and the suggestions from other members to ensure that the process is what it should be—a process of delivering answers to questions about how the state’s finances will be spent over the coming financial year and the out years into the future.

**MR W.J. JOHNSTON (Cannington)** [3.48 pm]: I think I have about 11 minutes in which to make a brief contribution. I want to refer to the operations of committee B. Tuesday was a long day for both the Treasurer and me because we were both in the one committee from 9.00 am to, I think, 6.00 pm. Although I do not shadow the minister in his role as Treasurer, I was happy to help the member for Victoria Park in his capacity shadowing the Treasurer. I also assisted the member for Girrawheen in her capacity as shadow Minister for Citizenship and Multicultural Interests. Then we went on to the minister’s energy responsibility. It was a very long day. I was very tired and I imagine that the minister must have been even more tired because he would have had to make sure he did not give out any secrets, and I can tell members that he did not give out any secrets. I want to draw the attention of the house to a couple of issues. In *Hansard* there is a transcript of the member for Joondalup asking the following question —

My question to the Treasurer refers to page 267 of budget paper No 3, specifically the special purpose account for the Western Australian Future Fund.

This was in the Treasury Corporation section, it of course being an off-budget entity. Because it is not a budget agency, there are separate rules for the process of estimates for off-budget agencies. I will keep reading —

Could the Treasurer please provide an update on the future fund, including whether it is meeting its investment objective of a rate of return in excess of WA Treasury Corporation’s cost of funds?

The member for Victoria Park then raised a point of order. I want to refer back to last year’s Estimates Committee B when the member for Victoria Park asked the following question —

I refer to page 281 of budget paper No 3 ... regarding the Western Australian Future Fund, which is managed by Western Australian Treasury. Can the Treasurer or his advisers tell us today, or by way of supplementary information, where the current \$306 million is invested and what percentage of that investment is in long-term investments?

The member for Vasse, who was the Treasurer at the time, explained to the member for Victoria Park that he could not answer that question because it was asking the Treasury Corporation to answer about the affairs of a client when it is an off-budget agency and should treat those matters confidentially. This year, when the member for Joondalup asked his question, the member for Victoria Park raised a point of order and drew the Chair’s attention to what had happened in the previous year. Of course, in the end, the Treasurer decided he would answer and got the CEO of Treasury Corporation to answer the question. Mr Collins answered —

At the request of the Treasurer, we will respond, although we generally do not provide information on clients; ...

It was quite amusing to see the position that the public servant had been placed in.

The other amusing example, if I have it here, was the first dorothy dixer to the Treasurer asked by the member for Bateman. He asked —

I refer to the “Revenue and Savings Measures” feature box on page 3 of budget paper No 3, specifically in regard to the state’s credit rating. Could the minister please advise the importance of the measures that have been put in place in this budget to strengthen the state’s case for a AAA credit rating?

The problem was that the poor member for Bateman had misunderstood when he should ask the dorothy dixer and asked it too early in the day, and in fact he had to wait half an hour until the Treasurer reconvened as the Treasurer, rather than being the minister representing the Treasury Corporation. That question was not related to the operations of the Treasury Corporation, but rather the operations of the government. It was a very interesting question but it was actually asked at the wrong time. I do not know whose fault it was that the dorothy dixer was asked at the wrong time, but I urge the government next year to give the dorothy dixers out in the correct session. I know my learned friend the member for Mandurah has talked extensively about the question of dorothy dixers and I adopt what he said to the chamber on that issue and I do not need to repeat it. If the government is going to do that, it should at least manage the process properly.

It was interesting that the answer to the question about the return on the investments of the future fund was that it is making 0.4 per cent over the cost of funds. Forty basis points was the answer—0.4 per cent is the return over the cost of funds. The problem of course is that, as we all know, all the money in the future fund has been borrowed, so if only 0.4 per cent can be made, it raises the question about why we are doing that, particularly if inflation is at 2.5 per cent. The cost of funds plus inflation means that there is actually a negative real rate of return on the future fund, which is an extraordinary position that the state is in. In the original debates on the future fund, to his credit, the member for Vasse actually took on board some of the commentary that the opposition made at the time about the operation of the future fund. The future fund is no big bonus for the state, it is actually currently costing us money. It is costing us money to put money in there and the government can only get 0.4 per cent back on the operation of the fund—as I said, less than the rate of inflation.

The other thing I will refer to in the brief time I have to talk is that by way of supplementary information the Minister for Energy has let us know that in respect of Muja AB he had previously referred to 11 proposals having been received by the former Verve to deal with that site; however, we found out through the budget estimates process that not all of those 11 proposals were for operating the plant. In fact, the supplementary information makes it clear that there were actually proposals to convert the plant to burn forest waste. Another proposal was to scrap the plant and there was a range of other proposals. Only two or three of those proposals—the minister might say a different number—were actually proposals to go into a joint venture with Verve to keep the station operating. Therefore, we still have not got to the bottom of the Muja AB project and we will continue to follow it up.

We know through documents obtained through freedom of information that there was a \$1.5 million payment owed by the joint-venture partner Inalco to Verve in May 2013 when the Inalco company was supposed to pay \$11.5 million into Vinalco, so that Vinalco could then return that \$11.5 million to Verve. At that time Inalco was supposed to pay \$1.5 million to Verve, because Verve had treated the \$11.5 million payment to Inalco as a capital injection—so it was not a loan, it was a capital injection. However, the capital was to be repaid and then in layman’s terms a fee, effectively—I do not know what the proper word is—was to be paid by Inalco to Verve, and that was to be \$1.5 million. In June 2013, Inalco agreed to relinquish its 50 per cent ownership of the Vinalco project—that is, the Muja AB station. Verve paid Inalco \$1, a token amount, because obviously no contract is valid without consideration, so it was a token consideration to take full ownership of the joint venture. However, the \$1.5 million that should have been paid by Inalco to Verve for having injected \$11.5 million of capital that Inalco was unable to pay was never paid to Verve. Although I knew about it because of FOI documents that we received, it was not separately accounted, and the reason they got away with not separately accounting for that \$1.5 million was because it was all done within the same financial year. Had Inalco kept its interest in Vinalco—that is, the Muja AB joint venture—to July, it would have been shown in the end-of-year accounts of Verve, but because it was closed out in June, the \$1.5 million just disappeared. That really is another matter that should be investigated and properly explained and held to account in the operations of the state’s finances.

I move now to the amalgamation of Verve and Synergy to form the new Synergy. The amounts being paid to the amalgamated entity in respect of the public subsidy—the community service obligation payments—have gone up and are expected to continue to increase over the forward estimates. The amount of money that is to be returned to the budget by way of tax equivalents and dividends is now budgeted to go down, compared with the forecast in the 2013–14 budget. The company is less profitable after amalgamation and the dividends from the combined entity are less than forecast a year before—before the amalgamation. The community service obligations paid by the state to these entities have also gone up. That is all bad for us as taxpayers and electricity consumers in this state.

I finish by saying that I think the estimates hearings are an essential part of the operation of Parliament. I heard in corridor conversations with different people that some Liberal members of Parliament were surprised at the way Labor insisted on our rights in the committee. However, in the context that we get six committee days—three committees by two days—to analyse \$27 billion of expenditure, I do not think it is surprising that we insist on a proper accounting. I must say that I think ministers should actually want a proper account because it is in the interests of democracy, good government and the financial management of the state that everything is done in public and with as much accountability as possible. For all those Liberal backbenchers who did not quite understand what was going on, I say that that is what it is about. It is about making sure that the people of this state are being properly represented and that decisions of government to spend \$27 billion are being properly scrutinised. I think everybody should support that process.

Question put and passed.