

**APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2009–10
(SUPPLEMENTARY) BILL 2010**

Consideration in Detail

Clause 1: Short title —

Mrs M.H. ROBERTS: The purpose of the Treasurer's Advance Authorisation Bill 2010 is to permit payments for extraordinary or unforeseen matters. It seems a considerable sum of money is allocated, some \$820 365 528, for recurrent payments during the year ending 30 June 2010. I might ask: which matters are of most concern to the Treasurer in those recurrent appropriations and does the Treasurer anticipate a similar blow-out in those items in the next financial year?

The ACTING SPEAKER (Mr J.M. Francis): Just before I give the Treasurer the call, I remind the member for Midland that we are dealing with clause 1, the title, of the bill. Perhaps the question would be more relevant to clause 3.

Mrs M.H. Roberts: I am seeking some general comments about the main issues of concern with the appropriations and whether the Treasurer intends to rectify those concerns in the coming years.

Mr C.C. PORTER: As the member would be aware, the rule is that any appropriations above and beyond that stipulated in the relevant budget cycle, being above three per cent of the total amount budgeted for, requires what is colloquially known as the Treasurer's advance, and that was the process that had been gone through previously with respect to the amount that we see before us. It is a large amount, although it does of course represent a somewhat smaller amount than was sought in the Treasurer's advance. The total for recurrent and capital that we are seeking is \$929 million and the amount that was approved in the Treasurer's advance, which passed through this place, was \$1.15 billion. The three per cent figure is \$469 million. It is, obviously, always a matter of concern when that three per cent cap is exceeded. However, historically, that is not unusual. It has occurred on several occasions. In fact, the only time that it has not occurred in the last several years was in 2003–04, when there was no Treasurer's advance. In 2004–05, under the former Labor government, there was a Treasurer's advance in which the three per cent figure was \$300 million but \$750 million was sought—an amount double the three per cent. No doubt that was a matter of concern at the time. In 2005–06 the three per cent figure was \$100 million and the amount sought was \$500 million. No doubt that was a matter of concern at the time. We had a better year in 2006–07, when the three per cent figure was not exceeded. In 2007–08, the three per cent figure was exceeded. The three per cent would have been \$436 million and \$750 million was sought in the Treasurer's advance. The figure was again exceeded in 2008–09 and in 2009–10. Exceeding that three per cent figure is not at all unusual; in fact, under the previous government there were some very large excesses over that three per cent figure.

Mrs M.H. Roberts: Not as large as this, though.

Mr C.C. PORTER: It depends how you look at that, member, because as a percentage —

Mrs M.H. Roberts: I look at it in terms of real dollars. That is how I look at it. It is more money.

Mr C.C. PORTER: Another way is, of course, to look at what is the three per cent figure. In 2004–05, that three per cent figure was \$300 million and \$750 million was sought in the Treasurer's advance.

Mrs M.H. Roberts: Taking a single year of seven years in office and comparing that to suit is just trickery. I have asked about the specific items of concern to the Treasurer. There are a lot of departments under budget —

Mr C.C. PORTER: I am answering the member's question. I have some time left and I will get there. The member asked, firstly, about an amount that she described in pejorative terms as a very large amount. I am simply pointing out that —

Mrs M.H. Roberts: That was a matter of fact. There was no colour or pejorative term used. It was just a matter of fact. It is a large amount of money. Do you deny that?

Mr C.C. PORTER: That would be difficult to deny.

Mrs M.H. Roberts: Exactly.

Mr C.C. PORTER: I am pointing out that in 2004–05 there was a commensurately large excess over that three per cent limit. Indeed, when looked at coming off the base, it may have been even larger. This happens from time to time. The member has asked me about the matters that I am most concerned about. Obviously, as an incoming Treasurer I am keeping a very close watching brief on the areas that have been problematic in the past in terms of unanticipated expenditure, and I will continue to do so. However, I would imagine that the entirety of

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the consideration in detail process is for members opposite to ask questions about matters of concern to them and perhaps we can deal with those matters one by one as they arise.

The ACTING SPEAKER: Before I give the member for Midland the call, I ask both the member and the Treasurer to listen to this. Clause 1 is the title of the bill. Before the member continues with a question like the last question that I allowed, I remind her that that question should have been directed to the Treasurer when dealing with clause 3.

Mrs M.H. ROBERTS: I thank the Acting Speaker for that guidance. I had attempted, at clause 1, to ask the general question about the concerns of the Treasurer. I think that is a fair point to make. Obviously, when we get to clause 3, the opposition has a number of items that it believes are of concern and will want to question the Treasurer about those in detail. However, the Treasurer is new to the position and he has inherited the current situation, and I want to know whether he thinks the situation that he has inherited is perfectly acceptable. By the sounds of things, he may think it acceptable because he believes similar situations have existed in the past and therefore the situation he finds himself in is none too troubling. Perhaps none of the blow-outs that have occurred are of any concern to the Treasurer. I wanted to set some general parameters for this debate and to hear whether the Treasurer was concerned with, for example, the repeated behaviour of the Department of Education and the failure of the education minister to keep that agency under control. Perhaps, for whatever reason, the Treasurer does not want to criticise his colleagues or the various government agencies. I expect that behind closed doors the Treasurer is not very happy with some of the amounts contained in the Treasurer's advance, and I do not think that he should be happy. However, it seems that the Treasurer is not wanting to admit to that. It is not just about answering my questions; it is a matter for him, through the Parliament, to speak to the people of Western Australia and to say whether he is satisfied with the bill that he has brought to the house and the amounts of additional money required in a range of agencies. I made that point by way of a very general question at the start of the debate on clause 1 in the expectation that the Treasurer would not give a very detailed answer on line items or departments, but set some general parameters about the bill before we get into the bill in more detail. I hope that I have made myself clear. I hope that the Treasurer understands that I am quite genuinely seeking some advice for me and the people of Western Australia about what he sees to be the areas of concern. He has, of course, at his disposal a lot more information than we have before us. I note that the detail of the appropriations by each agency and department was not in fact made available to the opposition until about halfway through the second reading debate. I do not think that has ever happened in the past. I think that is clearly unacceptable. The member for Bateman was not the Treasurer at the time; the Premier was. Our lead speaker, the member for Victoria Park, had to speak with reference to a global amount, not knowing the amounts agency by agency. That information was provided three or four speakers in; notably when the member for West Swan was on her feet. I am sure that the member for West Swan would rather have had that information before she stood to speak so that she could have prepared to speak on some of those items. But that is the type of contempt with which the Premier treated the house in the short time that he was the Treasurer. I hope that this Treasurer will not do the same and that he will be forthright and forthcoming with some reasonable information for me and for the public.

Mr C.C. PORTER: The member is effectively asking me—as I stand here today as a new Treasurer—what matters are concerning me and whether I am worried. In effect, this question is: how happy am I with the present state of affairs? That is not an overly forensic approach. This bill and the purpose of going into consideration —

Mrs M.H. Roberts: We will get to the forensics; that is not an issue.

Mr C.C. PORTER: The purpose of consideration in detail is, as I understand, for the opposition members to do their homework, make their own judgements and ask questions about the issues of concern to them. This is a forum for the opposition to ask questions; it is not a forum for the opposition to ask me a question to tell them what questions they should ask. That is not a particularly forensic approach.

Mrs M.H. Roberts: You haven't been here very long, have you? You should have heard some of the questions people on your side asked when we were sitting over there.

Mr C.C. PORTER: Mr Acting Speaker, I listened in absolute silence to the member and I will continue to do so throughout.

Mrs M.H. Roberts: I don't mind if you interject on me.

Mr C.C. PORTER: During this process, there is plenty of time for everyone to speak.

To the best of my understanding, if the question that is being put to me in respect of an analysis of the title of the bill is about what areas of concern are presenting themselves to me as an incoming Treasurer, I will make a couple of very brief comments. The first is that the areas in which there were unforeseen or extraordinary expenses in 2009–10 will not necessarily be the same areas in which similar problems will occur in 2010–11.

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Indeed, many of the difficulties—I raise the issue of health—that were looming as potential problems in respect of current expenditure at the time the Treasurer’s advance of 2009–10 was requested are no longer of as much concern as they were at that time. The first answer to the member’s question is that the concerns have changed considerably from the historical state of affairs that we are, in effect, dealing with retrospectively here. If I had to identify for the member the central concerns that I have as an incoming Treasurer at this time of the present budget cycle, I would nominate, first and foremost, dwindling GST receipts; secondly, the stagnation of the property market having a very significant impact on revenue coming in from transfer duty; and thirdly, the constant battle for any government to rein in wages growth. There are some departments that account for large proportions of the budget in total, and irrespective of those departments’ previous performances in wages growth, a very firm and detailed watching brief has to be taken on those departments during the budget estimates process to ensure that wages growth does not reach the same levels it has in this state over the past eight years.

Finally, it seems to me that the member’s question, in general terms, is whether I anticipate a Treasurer’s advance during the present budget cycle—that is, whether there is likely to be an overspend above the three per cent cap. At the moment that is a very finely balanced answer, which I cannot give the member with perfection. However, if there were to be a Treasurer’s advance this year, it would be because the three per cent cap had been exceeded by only a very modest amount. I am still very hopeful that we will, indeed, be under the three per cent limit and that the government will not need to seek a Treasurer’s advance in the present financial year.

Clause put and passed.

Clause 2 put and passed.

Clause 3: Appropriation for recurrent services and purposes —

Ms R. SAFFIOTI: I refer to schedule 1 and some of the recurrent supplementary funding being provided. I am looking at state development and the additional funding of \$6.3 million, on page 3. At the beginning of the year, under the Treasurer’s Advance Authorisation Bill, there was an expectation that the Browse LNG project would require \$12.9 million, and that the Oakajee port and rail project would require \$7.4 million. Can the Treasurer explain whether that has occurred—it does not seem to have occurred—and why there was such a significant reduction in what was expected at the time of the authorisation bill?

Mr C.C. PORTER: My understanding is that the differences are very minor and that the same amounts were effectively drawn, but they are rounding figures that we see. What was nominated in the Treasurer’s advance was a figure of \$12.921 million, while what was drawn was \$12.9 million. What was nominated for Oakajee was \$7.36 million, while \$7.4 million was drawn. Although those amounts do not seem, on the face of it, to be tiny amounts of money, as far as Treasury analysis and budgetary processes go they are, in effect, rounding figures.

Ms R. Saffioti: Treasurer, I have \$6.3 million against state development in the schedule; it might be somewhere else.

Mr C.C. PORTER: Can the member direct me to the page of the bill she is looking at?

Ms R. Saffioti: Page 3, under “Premier; Treasurer; Minister for State Development”; the last line.

Mr C.C. PORTER: It is \$6.305 million?

Ms R. Saffioti: Yes, and how that compares with the original.

Mr C.C. PORTER: As I understand it, that is the total drawn by the agency, and the discrepancy is offsets.

Ms R. Saffioti: So there must have been underspends in state development.

Mr C.C. PORTER: There were underspends on other projects. I am informed that the offsets were the Ord–East Kimberley expansion project, which was an underspend of \$13.5 million. There were procurement savings representing an underspend of \$408 000. ASI Groyne buyback scheme grant savings was an underspend of \$560 000; and there were State Fleet savings of \$10 000.

Mrs M.H. ROBERTS: I understand that there was \$2 311 005 for the Department of Treasury and Finance for the provision of unfunded liabilities in the government insurance fund. I understand that the actual amount spent was 20 per cent more than was appropriated in the 2010 Treasurer’s advance. Can I seek an explanation as to why that is so?

The ACTING SPEAKER (Mr J.M. Francis): Member for Midland, I am more than happy to give you the call. We are dealing with the schedule and it is a line item question. We are dealing with clause 3 at the moment.

Mrs M.H. ROBERTS: You want me to ask the questions under the schedule?

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The ACTING SPEAKER: Yes, thank you.

Mr C.C. PORTER: In respect to the provision of unfunded liabilities in the government insurance fund, the partly funded government insurance fund was replaced on 1 July 1997 by the fully funded RiskCover scheme. The Insurance Commission of Western Australia manages the unfunded liabilities of consolidated account-supported agencies that accumulated prior to 1 July 1997 on an emergent cost basis. These estimates are subject to patterns in related claims costs. The timing of reimbursements to ICWA is difficult to predict, and can vary according to the timing of claims. ICWA expects the liability for these claims to be long-term, and the value may vary greatly from year to year. An additional \$2.3 million was required in 2009–10 to meet the costs of claims. This is ICWA’s actuarial analysis about when claims will be due, in effect, as I understand it.

Mrs M.H. Roberts: You made some reference to “patterns”—I missed what you were saying there.

Mr C.C. PORTER: I think the patterns referred to relate to the timing of reimbursements to ICWA being difficult to predict and variable, according to the timing of claims. The estimates are subject to patterns in related claims costs. I guess the word “patterns” simply refers to the fact that claims might come in in a lumpy fashion rather than being spread out in an even way. The best efforts are made to predict when claims will fall due and be payable. I am not an expert on the patterns that are referred to, but I would imagine that ICWA has some ability to predict, based on previous years, when insurance claims will fall due, but I would also imagine that that is a very inexact science.

Mrs M.H. ROBERTS: Can I just clarify that point? The Treasurer is suggesting that the Insurance Commission of Western Australia estimated the amount of money based on previous information, a pattern of claims and so forth and it got it wrong by 20 per cent. Potentially, that is not unreasonable. I am just asking whether that is what occurred; that is, it estimated a figure based on knowledge and previous patterns and so on, but got it wrong by 20 per cent.

Mr C.C. PORTER: In effect, that is the only conclusion that I would draw from that statement. Of course, ICWA deals with third party motor vehicle insurance and claims in relation to that. I imagine that data is available on the number of claims that occur in a given year. I imagine that a year with particularly volatile weather would involve more car accidents and so forth, so there would be particular reasons why, from year to year, previous historical data and the patterns that it indicates are not going to be a perfect fit for years to come. In those circumstances, 20 per cent does not seem to me at least to be unreasonable, but I think the member’s description of how that 20 per cent arises is correct.

Ms M.M. QUIRK: Clause 3 refers to payments of an extraordinary or unforeseen nature being made for the year ended 30 June 2010. I was trying to clarify how, for example, a re-cashflow of funding for the Office of Crime Prevention is unforeseen. That seems to be a policy decision that is taken. It is a deliberative decision; it is not necessarily something such as insurance, which we have previously talked about and which has a lot of unknown contingencies.

Mr C.C. PORTER: I think that is a fair question and I did avail myself of the second reading debate for this and previous bills. It seems that the same question arises regardless of which party is in government: how would something be characterised as unforeseen or extraordinary? My view is that we have to go back to the historical basis for the process we are dealing with. The Treasurer’s advance arrangements in the Financial Management Act were framed on the premise that the annual appropriation acts were quite obviously intended to cover the government’s financial plan for a full year, but that it would be reasonable to expect that, during the financial year, circumstances and government priorities in particular could and would alter. This is reflected in the references in both the Financial Administration and Audit Act and the FMA to expenditure for which there is insufficient or no appropriation. In drafting the annual Treasurer’s advance authorisation bills, a form of words was chosen for legislative simplicity. The words that were adopted prior to my time as Treasurer and that were best seen to encompass the circumstances of the advance were the words “extraordinary” and “unforeseen”. Those words can have a variety of different meanings legally.

Ms M.M. Quirk: So they are conjunctive, not disjunctive, Treasurer?

Mr C.C. PORTER: That is a very good question. They are conjunctive in the phrase I have written down. My understanding is that for the purpose of the legislation, they are disjunctive; they can be either or. But what is unforeseen for the purposes of this process is quite different from what is unforeseen for the purposes of the defence of accident at criminal law. It seems to me, based historically on this process, that there is wide acceptance that a government policy change—whether that is to stop a program, to defer funds from one program to another, or to commence a program—is a matter that is unforeseen within the terms of this legislation. That does not mean that before they physically occurred, that must have logically been the case because someone had planned to do it rather than turning up in the minister’s office on the spur of the moment

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and making a decision. I think that some latitude has to be expected, particularly with changes in policy. The two things that give rise to expenditure of the nature that we are dealing with are parameter changes and policy changes. I imagine—I will sit down and check my notes—that the one that the member has mentioned was some kind of policy change rather than a parameter change.

The ACTING SPEAKER (Mr P.B. Watson): Members, can we get rid of clause 3?

Ms M.M. Quirk: No, we are still on it.

The ACTING SPEAKER: I thought we were dealing with the schedule.

Ms M.M. Quirk: No.

The ACTING SPEAKER: We are on clause 3, but members are dealing with the schedule.

Ms M.M. Quirk: No. I'm dealing with the wording of clause 3.

Mrs M.H. ROBERTS: I have a question on clause 3, Mr Acting Speaker. Based on the comments that the Treasurer has made hitherto, I am looking at the quantum for the Treasurer's advance authorisation bills in previous years. It appears that in 2002–03, we were looking at \$300 million; 2003–04, \$300 million; 2004–05, \$750 million; 2005–06, \$500 million; 2006–07, \$365 million; 2007–08, \$750 million; 2008–09, \$1.2 billion; and 2009–10, \$1.15 billion. For the recurrent, in 2005–06, which was the year that the Treasurer referred to, we were looking at \$247 100 000; 2006–07, \$298 800 000; 2007–08, \$443 208 596; 2008–09, \$1 001 742 300; and 2009–10, \$820 365 527. Contrary to the Treasurer's earlier assertions, it appears that in terms of the recurrent supplementary appropriation bill, the amounts for the past two years have been extraordinarily higher than those in previous years. Indeed, they have been more than double and, in fact, are nearly triple some amounts in recent previous years, such as the amount in 2005–06. Yes, I acknowledge that the size of the total budget has increased, but I do not think the Treasurer can draw the conclusion that he attempted to draw earlier.

Mr C.C. PORTER: I am not sure that I entirely agree. Interestingly enough, the initial limit for the years 2003–04, 2004–05 and 2005–06 that the member mentioned was \$300 million. As I understand it, that was before the Financial Management Act, and that was a set figure. What has happened since those years is that they have calculated the initial limit as three per cent of the entire budget amount. As the member has pointed out, budgets grow. Over time, after the Financial Management Act came into being in 2006–07, the initial limit amounts grew with the size of the budget. The member pointed out that 2005–06 was a particularly good year in the process that we are going through, if good is measured by trying to keep the unanticipated expenditure in the financial year down. However, in fairness, the initial limit in 2004–05 was set at \$300 million. In that year, the actual outcome was \$682 million, which was an overspend of more than double the initial amount.

Mrs M.H. Roberts: The figure that I have for the 2004–05 Treasurer's Advance Authorisation Bill is \$750 million.

Mr C.C. PORTER: That was what was sought in the Treasurer's advance, but \$682 million was actually spent. The member might recall that \$1.15 billion was sought in the Treasurer's advance for the matter that we are dealing with now, but \$929 million was actually spent. If the member compares \$469 million, which is the three per cent limit for 2009–10, as a proportionate amount of \$929 million in 2009–10 with the proportionate amount in 2004–05, when the initial limit was \$300 million and the amount actually spent was \$682 million—I do not have my calculator with me—she will see that the amount of overspend in that year is very similar as a matter of proportion. Talking about something that occurred under this government in 2009–10 as unheralded, remarkable or without precedent is just not, as a matter of fact, correct.

Ms M.M. QUIRK: I want to ask another question about clause 3. I understand that the Treasurer will give me an answer on the Office of Crime Prevention when we deal with the schedule, or is he in a position to give me that answer now?

Mr C.C. PORTER: I am told that the amount was \$50 000.

Ms M.M. Quirk: It was \$50 million, wasn't it?

Mr C.C. PORTER: No, it was \$50 000, which was a recurrent appropriation. It was a bring-forward of funding from 2010–11 and 2011–12 into the Office of Crime Prevention.

Ms M.M. Quirk: What does that mean, Treasurer?

Mr C.C. PORTER: The expenditure was accelerated, so that was amounts which would have been appeared in the out years 2010–11 and 2011–12 and which were spent in 2009–10.

Ms M.M. Quirk: All right. And for what purpose?

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Mr C.C. PORTER: I simply do not have that level of detail. I would imagine, though, that it was simply for core business. Knowing what the Office of Crime Prevention does, I am not sure that it was a specific program or anything of that nature.

Ms M.M. QUIRK: Thanks very much. Going back to clause 3, the Treasurer talked a bit about the extraordinary or unforeseen nature of the expenses that arose and all the expenditure that arose and said that that is the rationale for this bill. I just want to explore a bit what those words mean. For example, in relation to clause 1 the Treasurer talked about wages policy and in particular that the government was going to be tighter in future on wages policy. A certain number of enterprise bargaining agreements are due to be concluded this year; would that be something that the Treasurer sees as unforeseen or extraordinary? Or would it not be in that category because in effect the Treasurer is indicating now he is going to follow government policy and is not going to depart from that? Therefore, if we are debating a similar clause this time next year, will it be the case that wages increases through EBAs would not be covered in this regard?

Mr C.C. PORTER: That is an interesting question and goes to show some of the more clumsy features of the entire system. The out years budget for departments for wages growth of that type—so if the member imagines a fixed cap on FTEs and in wages growth—is the consumer price index. The government wages policy is, of course, between CPI and the wholesale price index, so long as productivity gains are shown towards the cap of WPI. I say two things: as a matter of policy the departments are provided only with CPI, yet policy allows for productivity trade-offs above CPI. Those increments would have to appear as overspends if the EBA was negotiated and the wages started to flow inside a financial year. Yes, I think they would meet that definition; that is, we would bring forward the request through this process and that would meet the definition of “unforeseen”. Certainly I would say that any wages growth above the cap of WPI would definitely be unforeseen because it has not happened during the period of this government, and the integrity of the wages negotiation system has been maintained.

Ms M.M. QUIRK: From what the Treasurer said in the context of clause 1, he would not anticipate in the following year that it would be extraordinary if the government wages policy was not adhered to.

Mr C.C. PORTER: There are two questions there. In the context of this process, if any EBA was negotiated with a wages growth outcome above WPI, I think I can safely say that would be viewed, both in the context of this legislation and outside it in a general policy sense, as extraordinary. As a matter of the process, any wage increment that is above CPI, which we as a matter of policy say is possible, would be considered extraordinary and unforeseen. That sounds like something of a legal fiction, but the departments have to make budget for future growth in wages.

The other analogous situation is that with activity-based funding—we are now moving towards this in health, and this type of system already exists inside corrective services—in any department we presume a certain level of activity knowing that it is highly likely that that level of activity will be exceeded and the difference is made up through this process. If you like, we foresee the unforeseeable because of those types of models. But technically it still meets, as a matter of historical precedent, the definition of unforeseen in this bill.

Mrs M.H. ROBERTS: I am just seeking a point of clarification here, partly in relation to the question that was asked by the member for Girrawheen. The member for Girrawheen asked about the Office of Crime Prevention and the extra money that had been required there. The Treasurer said he was not able to provide her with a breakdown of why that extra money was needed and he just assumed it was for its normal business. As the member for Girrawheen pointed out, clause 3 of this bill uses the words “being payments of an extraordinary or unforeseen nature made for the year”.

A whole range of agencies and departments in particular have exceeded the amount that was appropriated in the Treasurer’s Advance Authorisation Bill. Am I to take from that that if he cannot provide a full breakdown of what the moneys were required for the Office of Crime Prevention, he is not going to be able to do that for other departments and agencies? My understanding is that Treasurers in the past have provided that kind of information in this debate. I want to ask what was unforeseen or extraordinary about, for example, the \$1.284 million for the Western Australian Electoral Commission, because that was not specifically outlined in the Treasurer’s advance bill. I want to ask about the \$5.683 million for Fisheries and for full breakdown on that, because that exceeds the \$1.183 million that was provided in the Treasurer’s advance.

I use those two just by way of example, but that is the kind of detail that I would have expected that the Treasurer would be able to provide us with. I think it is only fair that we do get a breakdown of those. I am raising this point because clause 3 says that money is there for payments of an extraordinary or unforeseen nature. Maybe the Treasurer thinks it is foreseen that the Department of Education is going to blow its budget and that it is not extraordinary that it does that, but is what is happening with the other agencies—whether it is

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the Office of Crime Prevention or whether it is the Western Australian Electoral Commission, which is something the Treasurer might be au fait with—extraordinary or unforeseen, or is it frankly not that extraordinary at all? I seek clarification on the level of detail he is likely to be able to provide us with on each of the agencies and departments.

Mr C.C. PORTER: What an extraordinary question! The member is asking me to nominate for her the detail that I may not be able to provide in answer to questions that she has not yet asked. It is bizarre.

Mrs M.H. Roberts: You haven't provided it for the Office of Crime Prevention.

Mr C.C. PORTER: I will go to that in a moment, and to the member's assertion that Treasurers in the past have given precisely that level of detail. As the member has pointed out, this is a figure of \$929.2 million for capital and recurrent expenditure. We are talking about \$50 000 of grant money to the Office of Crime Prevention and community safety grants that, pursuant to some policy decision, was brought forward from 2010–11 and 2011–12 into the financial year that we are talking about, 2009–10. They were community safety grants. The level of detail which the member feels that I should be able to give and which I cannot is what precisely that money was given over to by way of grants. I simply cannot do that.

I have as a matter of preparation read over many of these debates going back into the member's time in government. I do not think there has been a Treasurer in existence in this place who would have been able to give that level of detail during this debate, but the member will just simply ask the question —

Mrs M.H. Roberts: My question is: what level of detail you would be able to give?

Mr C.C. PORTER: I will give the member a fair level of detail. Asking me what precisely that \$50 000 went to by way of community safety grants is not a level of detail I can give the member now.

Mrs M.H. ROBERTS: I was only using that by way of example. I was really seeking some clarification, and maybe I will just go straight to the questions, since the Treasurer seems to think it extraordinary that I seek a general principle on how he is going to answer things and how we might go about this debate. It can be a very long night if he wants to go through it question by question. Let us try some specific questions. I will phrase them in terms of clause 3. What is extraordinary or unforeseen about the nature of the \$5.683 million allocated for the Department of Fisheries? Can I have a full breakdown of that amount, given that it exceeds the \$1.183 million that was appropriated in the 2010 Treasurer's advance?

Mr C.C. PORTER: The amounts I have here are \$4.5 million for Fisheries service provision; \$1.4 million for revised recreational fishing arrangements; and \$48 000 for the Office of Shared Services. That total amount was offset by procurement savings, which was an underspend of \$218 000, and State Fleet savings, which were an underspend of \$47 000. Those offsets speak for themselves. The 2009–10 additional funding of \$4.5 billion, which went to Fisheries service provision, was approved to cover significant cost increases impacting on the Department of Fisheries' operations and service delivery, including office accommodation, Government Regional Officers' Housing, insurance fleet vessel oil and petrol costs, software user licences and vehicle leases. Why were those amounts unforeseen? I would imagine it was because of changes in the price of oil during the relevant period which had an effect on the fleet vessel oil and petrol costs, for instance. The revised recreational fishing arrangements in 2009–10—a total of \$9.4 million over five years, including \$1.4 million in 2009–10—was approved to fund additional staff to carry out compliance and education functions under the revised management arrangements for recreational fishing in Western Australia. With respect to the amount of \$48 000 that was relevant to the Office of Shared Services, the Department of Fisheries was refunded \$48 000 in savings previously harvested as a result of the delayed roll-in of the Office of Shared Services. It seems to me that much has been unforeseen and unexpected with the Office of Shared Services.

Mrs M.H. ROBERTS: Further to the question I just asked, is the Office of Shared Services a culprit for many of these agencies and departments? Does the Treasurer have a total of the unforeseen or unexpected amounts that the various agencies and departments have faced because of what I am assuming are additional charges from the Office of Shared Services?

Mr C.C. PORTER: Yes, a number of figures appear on an agency-by-agency basis that are basically unexpected in the sense that they represented savings that were previously thought to be able to be harvested based on a roll-in to the Office of Shared Services and that roll-in was delayed, and that delay was unexpected. I do not have the total in front of me but wherever we see a figure of that nature in each of the departmental line items, which is described as Office of Shared Services, which in this case was —

Mrs M.H. Roberts: Is that a figure that you could provide to me at a later stage?

Mr C.C. PORTER: I would imagine that would not be too difficult. We can provide that figure.

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Mrs M.H. ROBERTS: While we are still on clause 3, and before I go to the schedule, perhaps I could also have an answer to why the Western Australian Electoral Commission has required \$1 284 000 that was not outlined specifically in the 2010 Treasurer's advance.

Mr C.C. Porter: On what page of the bill does the WAEC appear?

Mr R.F. Johnson: Schedule 1.

Mrs M.H. ROBERTS: It is good that the Leader of the House has now joined us because I always enjoy his inane contributions to debate.

Clause 3 states that there are "payments of an extraordinary or unforeseen nature". I am querying whether the amount that went to the WAEC was extraordinary or unforeseen.

Mr C.C. PORTER: It is safe to say it probably was. The explanation that I am given is that these were additional costs associated with non-voter processing with respect to the state general election and the daylight saving referendum.

Mrs M.H. Roberts: What does "non-voter processing" mean?

Mr C.C. PORTER: It means trying to chase people who did not vote. I would imagine that an unexpectedly high number of people did not vote.

Mrs M.H. Roberts: That could have changed the result of the election!

Mr C.C. PORTER: Quite possibly. That was offset by the collection of \$1.9 million in non-voter penalties and returned to the consolidated account in the same year. I would imagine those penalties were collected as a result of the expectedly low voter turnout at the daylight saving referendum rather than the state election, as I understand state elections are historically fairly constant. Unexpectedly, a lot of people did not turn up to vote yes for daylight saving.

Dr A.D. BUTI: With regards to clause 3, we are talking about what is over and above what we would expect. "Extraordinary" means something that is not expected. "Unforeseen" also means something that is not expected. I am not asking the Treasurer to give me line-by-line budgetary expenditure, but can he tell us why the amount relating to education is so significant when one considers that the education policy that this minister has been developing over the past couple of years, if anything, should be decreasing the amount of money spent on education because regional offices have been closing down? If we ask any principal, they will talk about the reduction of resources in the education system. I am not sure where this money is going. Surely if there has been an increase in student numbers—that may be the answer the Treasurer gives me—that is not unforeseen. Surely a minister should be able to predict the school population for a year. Therefore, that is not unforeseen. That should be in the budget papers. Where are the extraordinary or unforeseen circumstances that would have such a budget blow-out with regards to education?

Mr C.C. PORTER: I might start by addressing the first point. Would we expect or foresee that expenditure in education would decrease because of government policies? The member nominated a few items that he finds disturbing. I do not think, sadly, that we will ever see the education budget decrease in the immediate or longer term future.

Ms M.M. Quirk: Sadly!

Mr C.C. PORTER: It would be lovely if we could deliver higher quality services for less money but it is not likely under any side of politics in this state at present. Obviously, the largest single unexpected increase and expenditure was the fact that the department was, I think, the only department unable to make its three per cent efficiency dividend in total. That shortfall represented an amount of \$51.9 million. From recollection, the department managed about half of its three per cent efficiency dividend, being about 1.5 per cent. Had it managed its full amount, it would have saved around \$100 million, which is the figure that was able to be harvested in the four out years of the budget. It was not able to meet that target. The largest single overspend was that three per cent figure. That represents \$51.9 million out of the total overspend of \$67 million.

During all of the debates that raged over the three per cent efficiency dividend, nothing that any department did by way of cutting was deemed to be acceptable by members opposite—that is fair enough. But the point is that in this case departments have been unable to cut expenditure in certain areas. If the member has any suggestions of areas he would prefer to have the expenditure cut in education, I invite him to do so, but in this instance it is not about the department offering fewer services; in fact, that expenditure overrun is because savings were not harvested as expected. Some of it is about growth in student numbers.

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Dr A.D. Buti: That can't be unforeseen. Surely a competent minister would see that that is going to happen. That is not unforeseen.

Mr C.C. PORTER: There are two areas in which this happens a lot. One is in health. From memory, a lot of the parameters that were set around the expected growth in health expenditure were set with a 1.5 per cent assumed increase in the WA population. I am not an expert in demographics but I understand that that was agreed upon at the time to be a reasonable estimate. I think it has been ongoing under both governments. That estimate has proved to be wrong. Some of the growth in health, for instance, has been about that estimate being wrong.

I am informed that with respect to the growth in student numbers, additional staff and operational support were required to cater for growth in student numbers by 3 982.

Mr T.G. Stephens: Where do the estimates come from?

Mr C.C. PORTER: Where do the estimates of population growth and student number growth come from?

Mr T.G. Stephens: Yes.

Mr C.C. PORTER: Again, I am not an expert but I imagine they come from Australian Bureau of Statistics data and long range tracking. We have a fairly volatile set of circumstances in Western Australia with fly in, fly out and people attracted to work in various booming resources, sector industries —

Mr P. Papalia: There is no boom!

Mr C.C. PORTER: I know we have disputed that today, but in some areas there is clearly some level of growth; therefore, it is quite difficult to predict that school-level accommodation and student growth. Another area is children on 457 visas. This government has spent a considerable amount of money on extra English tuition for those students, whose level of migration into the school system is difficult to predict. That represents an \$18 million figure. The parameters were \$6.8 million for one of the other policy changes; precisely that—English as a second language, giving English tuition to children from families with 457 visas. We might analyse from that that \$18 million plus nearly \$7 million represents an underestimate of the number of students in the system, including those whose second language is English. The other amounts are smaller. I understand the point that the member is trying to make, albeit pejoratively, that education is getting much worse. If there are cutbacks, how can we be overspending? We are overspending because we have not been able to meet the full array of cutbacks envisaged under the three per cent efficiency dividend.

Ms M.M. QUIRK: Again in the context of clause 3, and also in the context of what the Treasurer has just said about English as a second language programs to holders of 457 visas, was there any offset in funds expended on English as a second language programs for refugee students to offset the added expenditure on these 457 visa holders?

Mr C.C. PORTER: I think the member's question is in effect: is there any commonwealth money coming in to assist us in this policy area, which would offset our spending?

Ms M.M. Quirk: No.

Mr C.C. PORTER: I am sorry; I am not sure that I understand the member's question.

Ms M.M. Quirk: It is to do with state expenditure in relation to English as a second language for refugees.

Mr C.C. PORTER: As I understand it, the \$6.9 million in 2009–10 was unforeseen and was in addition to those other funds the member talked about. Therefore, there was no drawdown or offsetting of those funds.

Ms M.M. Quirk: There were some cuts, I understand, Treasurer.

Mr C.C. PORTER: I cannot answer that question without going to a line item, but I am not aware that that is the case.

Clause put and passed.

Schedule 1: Consolidated Account for the year ended 30 June 2010 —

Ms R. SAFFIOTI: I go back to education, for which \$66.7 million was incurred mainly as a result of a failure to reach the efficiency dividends. What is the expectation in 2010–11 relating to reaching the efficiency dividend for the Department of Education?

Mr C.C. PORTER: The Department of Education has had some difficulties that are evident in the papers in meeting the efficiency dividend in 2009–10. I think that it will experience similar difficulties in 2010–11, and, indeed, into the out years. However, obviously part of the budget process is about trying to go through and find specific areas of savings that can be harvested. We have had a value-for-money audit in education. The

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government, through the cabinet and the expenditure review process, is considering some recommendations made through that audit process. I am confident that further savings in the education budget can be found. I think there are areas in which savings can be found. Has the department struggled to meet the three per cent efficiency dividend through that more blunt process? Yes, it has. Will it continue to have difficulties through that blunt process? The answer is yes, it will.

Mr B.S. Wyatt: While the Treasurer is on his feet, will that value-for-money audit in education be put in this coming budget?

Mr C.C. PORTER: It will not be implemented in full, I would imagine, in any budget, but certain aspects of that will inform the next several budgets.

Mr B.S. Wyatt: Will there be a specific line item highlighting the savings identified in the value-for-money audit?

Mr C.C. PORTER: I would very much hope that we are able to identify line item savings for the Department of Education. If the member sees those, I would say that it is a fairly good guess that some of those ideas about those line-item savings will have been generated through the VFM process.

Ms R. Saffioti: In relation to the failure to meet the efficiency dividend in 2010–11, given the budget process is approaching for 2011–12, would we expect to see additional funding again required as part of the advance appropriations process? Given that there were significant efficiency dividends built into the budget for 2010–11 that are unlikely to be met, are we likely to see similar amounts of money in relation to additional funding required for the Department of Education?

Mr C.C. PORTER: I would probably prefer to do the Appropriation (Consolidated Account) Recurrent 2010–11 (Supplementary) Bill 2011 next year, but it is clear from the papers that the Department of Education has struggled in 2009–10 with its three per cent efficiency dividend. The Department of Education will struggle again in the current financial year with that particular harvested saving that appears in the budget.

Mrs M.H. ROBERTS: With respect to the \$67 661 000 for the Department of Education, is the Treasurer able to provide us with a full breakdown of what that money has been spent on? I understand what the Treasurer is saying about not being able to meet the efficiency dividends, and where perhaps its budget has not been met, but can the Treasurer give us a full breakdown of the items for which the cost overruns have occurred? I believe the Treasurer is essentially saying that the budget has not been met generally due to cost overruns or cases in which savings have failed to be made rather than it being any new particular items added into the budget.

Mr C.C. PORTER: In fairness, I have been saying that it is both, although the overwhelming proportion of that \$67.6 million figure is the failure to meet the three per cent efficiency dividend shortfall. Therefore, the amount has not been able to be recouped through the three per cent efficiency dividend. The shortfall is \$51.9 million-odd. I understand, the Department of Education achieved about a 1.5 per cent efficiency dividend—it made about half. That is the largest amount there.

Mrs M.H. Roberts: There were specific items upon which the Department of Education was required to make that three per cent cut. Originally we had identified that it was to reduce the number of teacher aides, for example, and cut the number of engagement officers assisting year 11 and 12 students. A number of other specific areas were identified for three per cent cuts. I seek the detail about which areas the Department of Education fully met its targets of three per cent cuts, and which ones it did not meet.

Mr C.C. PORTER: Let me start by saying the three per cent efficiency dividend process—which, of course, was promised by both sides of this place prior to the last election—was, if I can use the term, a blunt instrument. It was a target that was set as three per cent of the total appropriated budget. The department then had to determine how to achieve that target. When the member states that certain things —

Mrs M.H. Roberts: They were listed in the first budget that the current government brought down.

Mr C.C. PORTER: Indeed, but they were matters that were generated through the departments, which is different from the value-for-money audit process. But the savings measures that the Department of Education achieved totalled about \$41.7 million.

Mrs M.H. Roberts: That is things like the It Pays to Learn allowance. What I really want —

Mr C.C. PORTER: I am about to go through them for the member.

They are: 10 per cent central and district operating budget reduction, \$8.62 million; administration and operation training, \$2.246 million; reduction education awards programs, \$300 000; learning with information communications technology, \$750 000; savings in syllabus development, \$601 000; savings with respect to the running costs of schools, \$2.631 million; discontinuance of the \$100 secondary school subsidy, \$2.5 million; and

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discontinuance of the family links program, \$1.449 million. Savings with respect to the It Pays to Learn allowance were \$12.7 million; discontinuance of support and transition network, \$400 000; savings from the discontinuance of the learning and transition network, an additional \$300 000; reductions in the participation program resulted in savings of \$4.5 million; and the discontinuation of participation in non-senior schools of extra staff for years 11 and 12 was \$285 000.

Mrs M.H. Roberts: Is that the participation officers? I think that it is what I was referring to previously.

Mr C.C. PORTER: That is my understanding. There were savings in the student community services program of \$2.182 million and in district education offices of \$2.261 million. They are all matters that appear in the budget papers in any event. I am sorry, I stand corrected—they were not specified in the budget papers. Other savings were achieved by the Department of Education during that financial year, including savings in procurements of \$14.763 million, State Fleet savings of \$376 000, reclassification of expense capital savings of \$11.05 million, and commonwealth funding adjustments of \$2.526 million. Those savings were achieved in addition to the three per cent efficiency dividend savings—that is, in addition to the list I read out to the member—and are offset against the overspend amounts we have already discussed. I could read out the rest of the overspend explanations if the member wishes.

Mrs M.H. Roberts: Yes, I would like to have that detail.

Mr C.C. PORTER: I have mentioned the three per cent efficiency dividend shortfall, which is \$51.918 million. Expenditure of \$18.414 million was associated with a growth in student numbers, \$6.86 million with English as a second language, and \$3.235 million with additional school support staff. That may well be —

Mrs M.H. Roberts: Is that additional teacher aides?

Mr C.C. PORTER: Yes; relief for existing workload pressures in school, clerical and administrative areas. Gold State Super employer contributions was an unexpected expense of \$5.573 million; there were depreciation expense adjustments of \$4.795 million; the enterprise bargaining agreement for education assistants, school cleaners and gardeners cost \$1.799 million, which goes to the question the member for Girrawheen asked earlier; and the impact of the half-cohort on small secondary schools was \$1.225 million. There was a range of clustered minor adjustments totalling \$2.557 million.

Mrs M.H. ROBERTS: The Treasurer said that a value-for-money audit had been conducted for the Department of Education. The member for West Swan asked the Treasurer some questions about next year's budget allocation; that is, what savings would be required of the Department of Education and how those savings would be achieved. Other than the value-for-money audit, have any measures been put in place between the Department of Treasury and Finance and the Department of Education to ensure more realistic budget expectations and that, in effect, the Department of Education is monitored more closely throughout the year to ensure compliance with its budget?

Mr C.C. PORTER: If the member has any suggestions of areas she would like to cut in education, I am all ears. We go through an adversarial process in this place in which members opposite criticise cuts that are made and presume that there are much easier and more palatable cuts that could be made, but they do not nominate them for me. I am very keen to know what they are. Part of the process of going through this year's budget is to use the value-for-money audit as a basis for trying to identify discrete line items of savings. I think that is possible. I think there are areas in education in which savings can be achieved that will not affect front-line services. Out of interest, and as I noted earlier, outside the three per cent efficiency dividend process, which of course was only about halfway successful for the Department of Education, the department also managed, with assistance from the Department of Treasury and Finance, \$4.763 million in procurement savings. I do not think anyone would argue that that would result in front-line service depletion. That is a good saving that has been achieved. The saving on the State Fleet was a slightly more modest amount of \$376 000. Those savings were achieved outside the inspiration of the value-for-money audit system and outside the three per cent dividend, and were based on the collegiate but at times robust cooperation between the Department of Treasury and Finance and the Department of Education. That collegiate approach to try to find line items of discrete, identifiable savings continues. I very much hope that we are able to identify more of those. I hope that we will have intelligent and informed debate in this place once those savings are identified, and that not every single saving that can be identified in any agency will be criticised as somehow a diminution of services. I am confident that further savings can be found.

Mrs M.H. ROBERTS: I think the Treasurer may have misinterpreted some of my comments. I was certainly not suggesting that the Treasurer find further cuts in the budget of the Department of Education, and I certainly have no intention nor, indeed, capacity to outline to the Treasurer areas of particular savings in the Department of Education. What I was really getting at was whether the processes of the Department of Treasury and Finance

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have changed or whether the way in which the department deals with the Department of Education have changed. For instance, given the track record of the Department of Education and the Minister for Education, is the Department of Treasury and Finance monitoring or working more closely with that department compared with other agencies that have met their budgets and the expectations of the budget; that is, those that achieved the efficiency dividends that were required, and more closely met the budget they were allocated? My question was not so much about the quantum of the education budget, how more cuts could be made or how I could help the Treasurer in that regard, but about whether, because of the track record of the Department of Education, the Department of Treasury and Finance has a different relationship with that department than the relationship it has with other agencies. The Department of Treasury and Finance has already done the value-for-money audit, which was really a process to review the Department of Education's finances and so forth. Have any other measures been put in place to monitor the Department of Education or to enforce these requirements, or has any additional expertise been provided to that department; for example, to help it better manage its finances?

Mr C.C. PORTER: I see what the member is getting at. I will answer the question in this way: the Department of Treasury and Finance is not the babysitter of the Department of Education. The relationship between DTF and each department varies according to the nature and particularly the size of the department. Obviously, even a small percentage budget overrun in health or education represents a very large quantum in the overarching reach of the budget. It is safe to say that senior executives of the Department of Education have more contact with the Department of Treasury and Finance than do those of a range of other agencies. There is a process of collegiate contact between Treasury and the Department of Education, as there is and was between Treasury and the Department of Health when that department was having similar problems. It is a fair point to raise. The member pointed out that she would not recommend any cuts to the department's budget.

Mrs M.H. Roberts: I am saying that I am not recommending any. That is not what my argument was about.

Mr C.C. PORTER: It is interesting that the member complained about an overspend but she does not want to achieve any savings with the Department of Education's budget.

Mrs M.H. Roberts: I am just interested in budget honesty; that is the point I am making.

Mr C.C. PORTER: We may need to consider some restructuring or recalibration of the Department of Education, as occurred with the Department of Health, as the basis from which further line item savings can be found. I would just make this point —

Mr B.S. Wyatt: Treasurer, by recalibration do you mean that you are of the view that the current budget allocation for the Department of Education is not sufficient, which is why there are consistently these overspends? Can you clarify that for me?

Mr C.C. PORTER: I put it in more line item terms. After a year's failure to meet the full three per cent efficiency dividend, I do not have confidence that that situation will remarkably change in the final two out years. The savings that were anticipated to be harvested from that process and which have not yet been harvested are unlikely to be harvested. That may require some readjustment of the budget along the lines of recognising an inability to reach the full three per cent efficiency dividend savings, but that does not mean that other savings could not be identified in the budget that will, perhaps in large part, offset that recalibration. Therefore, I am not giving the member advice about whether the budget will be in total larger or much larger or smaller; I am saying that there will clearly have to be a recalibration, and the savings that were expected to be harvested through the three per cent efficiency dividend process appear unlikely to be harvested and if continued efforts to provide savings through the budget are to be found, it is going to have to be through a different process. In education, as the member would be aware, Western Australia has the third highest expenditure per student in government schools and we are 24 per cent higher than the Australian average in the report on government services data —

Mrs M.H. Roberts: But part of that is because of the vastness of the state and the necessity to have such a significant number of small schools in remote areas.

Mr C.C. PORTER: This argument is put often and I think that it is in some part true, but —

Mrs M.H. Roberts: It is absolutely in some part true —

Mr C.C. PORTER: I am agreeing with the member in part, but I also note that the ROGS data is actually quite good in that it takes into account factorial analysis for remoteness and indigenouness, although perhaps not enough—perhaps the member might be right—but it does not ignore it entirely. I think that those figures are substantial differentials from the mean and I do have some confidence that some areas of savings can be harvested in education that will not have an effect on front-line services, as there were in health.

Ms M.M. QUIRK: Continuing with education, I note that schedule 1 has about \$2.5 million for other minor adjustments. I wonder whether the Treasurer can give us some detail about what that entails. While I am on my

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feet, given that there are shortfalls in voluntary contributions at a number of schools—as I understand it, a significant proportion—I understand the schools are expected to absorb that. Is that incorporated in minor adjustments, or how will that be dealt with?

Mr C.C. PORTER: The minor adjustments represent additional expenditure, unforeseen and/or extraordinary, totalling \$2.6 million. That is broken down as increased transition support for students moving from primary to secondary school, \$1.4 million; the state assuming responsibility from the commonwealth for a number of former community development employment project positions, \$815 000—so I presume that they are positions for which the commonwealth funding ran out and the decision as a matter of policy was made to pick up the difference—the annual indexation of payments made to the non-government human services sector, \$152 000; and, the continued staffing of integrated services centres at Parkwood and Koondoola Primary Schools prior to responsibility being transferred to the Department of Local Government. That represents that \$2.6 million figure. I am sorry; the member had a second part to her question.

Ms M.M. QUIRK: Yes, Treasurer, it was about the absorption of costs by individual schools for non-payment of voluntary fees. In moving forward with realising the three per cent efficiency dividend, is it the Treasurer's understanding that schools are expected to absorb that themselves or will the department also seek funds for that?

Mr C.C. PORTER: I think the answer is that the schools absorb it. Schools are expected to absorb that themselves, so that does not appear in the \$2.6 million amount.

Ms R. SAFFIOTI: I refer to schedule 1 and transport. On page 4, \$4.1 million of additional expenditure is listed. Comparing that with what was expected, which was a lot less—I am just trying to find it—at the time —

Mr C.C. Porter: I am sorry; it was less than what amount, member?

Ms R. SAFFIOTI: It is less than was expected at the time of the Treasurer's Advance Authorisation Bill. At that time I think the net impact on the budget was expected to be \$1.9 million; it is now \$4.1 million. Can we have an explanation of what that \$4.1 million entails?

Mr C.C. PORTER: Yes, there are both items and offsets. The extra expenditure, the items, was Esperance lead-nickel cleanup costs of \$1.83 million; motor vehicle licences and motor drivers' licences, \$3.425 million; and, advertising revenue, \$2.5 million. Those costs were offset by amounts of savings—namely, the Fremantle port rail subsidy, \$2.1 million; the north west shipping service subsidy, \$500 000; procurement savings of \$722 000; state fleet savings of \$65 000; the TravelSmart pedestrian project grant, which was an underspend of \$146 000; and there was an \$82 000 transfer to capital appropriation. Therefore, those items and offsets are that \$4.1 million figure.

Ms R. SAFFIOTI: Can I just ask about the \$3.425 million under motor vehicle licences, because that seems to be the amount that has differed from what we previously discussed in Parliament? There was additional spending of \$3.425 million on motor vehicle licences; can the Treasurer explain why that would be the case?

Mr C.C. PORTER: I am provided with this description of it; that is, that additional funding was approved for the costs associated with issuing motor vehicle licences of \$3.4 million. This adjustment corrects a mismatch between rising costs for the administration of motor vehicle licences and the funding to meet them—we under-recovered.

Ms R. SAFFIOTI: Did the government under-recover in its charges?

Mr C.C. Porter: Yes.

Ms R. SAFFIOTI: That was for cost recovery, but that year was under-recovered so the government had to supplement it with the consolidated account.

Mr C.C. PORTER: That is correct; the revenue was not there so it appears we have not made the decision to increase fees to recoup the difference, which would have been difficult to do in any event during a single year budgetary cycle. Therefore, where fee revenue is less than expected, consolidated revenue picks up the slack.

Ms R. SAFFIOTI: I am just trying to project into the future. Given the government's policy of full cost recovery, we would expect \$3.42 million of additional revenue in the next budget to ensure that it is full cost recovery.

Mr C.C. PORTER: Tricky, member! I cannot tell the member what all the fees and charges adjustments will be until budget time. Having gone through that in large part already in the budget process, simply because revenue has failed to be met or recouped according to our best estimates does not mean necessarily that fees increase to ensure that the government's anticipated targets are met. There have been a number of examples of that. One that springs to mind is title searches. As the property market has been more than somewhat subdued, there simply has

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not been the demand for title searches and revenue in that area has gone down, so as a government we are looking at ways in which that might be repaired. I think the member can safely say that it will not be repaired in total through increasing the cost of the title search.

Ms R. SAFFIOTI: On this issue, there was a savings amount of, I think, about \$400 000 with the abolition of motor vehicle registration stickers, which was built into the budget. Therefore, I assume that has not been mentioned and that that figure was met in its entirety.

Mr C.C. PORTER: I think that that saving did occur but not in the financial year that we are dealing with, 2009–10, so I think that might have been a saving in the present financial year. But if the Minister for Transport said it happened, it definitely happened.

Mr A.J. WADDELL: My question is about schedule 1, for the line item under “Minister for Education; Tourism”, education, \$67 661 000. As this relates to the 2009–10 financial year, it seems to me that it would have coincided with much of the planning that was going on through schools for the Building the Education Revolution buildings that were being constructed at that time. In particular, I raised with the Minister for Education in May 2010 a problem with a school in my electorate that had been told to alter its building plans because the government at that point refused to allow the school to install air conditioning in its buildings although that had been built into the plans. It then required the school to go back and redo the plans without air conditioning and to find an alternative use for the money. I think they suggested that they just re-cover one of the basketball courts, or something like that. I have a couple of points, the first of which is: when will my school be given back the money that was taken from it as a result of that poor government decision; and, more to the point, what impact did the changes that the Department of Education enforced on various schools, in restricting what they could do with the Building the Education Revolution money, have on the overall expenditure within the education portfolio in that year?

Mr C.C. PORTER: I will answer the second question first, and I am yet to perfectly find my way around the darkened room of accrual accounting. But with respect to commonwealth grants, the money comes in and then it goes straight out again; in effect, its effect on the budget is neutral. So the Building the Education Revolution grants for school halls will have come in and will have gone straight out on capital expenditure. That will, in time, have an effect with respect to the budget with matters such as depreciation, but, of course, because it is so new in the system, that effect has not washed through the budgetary process yet. I hope that answers, in broad terms, the member’s question about how the grants are treated for accounting purposes.

I would probably struggle to answer the member’s first question about when his school will get the money taken from it without knowing what school, how much money, and why it was taken.

Mr A.J. Waddell: Edney Primary School, and the money was taken because the government had a policy of not allowing air conditioning to go into schools in that particular region. Although it had the money—it was federal money—the education department would not let them spend it on air conditioning. The government has now changed its policy so that parents and citizens associations can now fundraise to put the air conditioning in, but that will require selling something like 40 000 hotdogs.

Mr C.C. PORTER: I have been following this debate, but I cannot give the member a perfect or specific answer about that school, but I understand the issue.

Mr A.J. WADDELL: I take the Treasurer’s point on the accounting element—money comes in, money goes out—but surely the actual administration of this money draws on the department’s resources in some respect; for instance, several of the schools that I dealt with had to go through many approval processes and planning processes. It seems that that would utilise full-time equivalents in the department. Is the FTE the department used to do these approvals costed back out to the commonwealth government? Did that reduce the amount of money spent in our schools from the BER fund? Did our schools pay an overhead, or did we absorb that generally in the budget?

Mr C.C. PORTER: We do not want to look gift horses too deeply in the mouth. I will give the member an example: the Building the Education Revolution funding was announced and schools were told to apply and do so in a very timely fashion—hurried, some might say. Many school representatives in my electorate came in and showed me the first draft of their application to the commonwealth government, and my electoral officer and I helped them redraft it and get it tickety-boo. Unfortunately, I did not get to bill the commonwealth government for that, and neither did the schools.

Mr C.J. Barnett: Unusual for a lawyer!

Mr C.C. PORTER: I tried my best, but I could not find a way.

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To some extent FTEs at schools might have been diverted from their usual administrative duties to fill out those forms and applications, but I guess if they are getting a whiz-bang new school hall out of it, it is probably worth the effort. But, yes, that was a cost we absorbed; Building Management and Works, which oversighted the construction, absorbed those costs. So when the commonwealth giveth, in small part, at times, through FTE redirection, it taketh away.

Ms R. SAFFIOTI: I have a question about the police section on page 4. Can the Treasurer provide an explanation for the difference between the \$24 million and the \$19.2 million that was requested?

Mr C.C. Porter: Do you want an explanation of precisely what with respect to the police budget?

Mrs M.H. Roberts: Is there a breakdown as to why it exceeds the \$19.2 million?

Ms R. SAFFIOTI: Yes.

Mr C.C. PORTER: The Treasurer's advance amount was \$19.2 million, and \$24.825 million is the final appropriation amount we are seeking. The first item was the 2009 enterprise bargaining agreement for police officers, which represented \$6.657 million. There was a continuity and development program in information technology, which was \$4.256 million. There were cost and demand pressures for DNA analysis through PathWest, which was \$3.171 million; a Gold State superannuation employer contribution of \$3 million; supplementary funding approved in 2008–09 of \$2.53 million; Chemistry Centre (WA) cost and demand pressures, \$2.154 million; post-separation medical benefits, \$2.095 million; new police station and upgrades in Fitzroy Crossing, \$867 000; Mt Magnet, \$303 000; clandestine drug laboratories, \$500 000—I presume they are the costs associated with dismantling rather than running them; Graffiti Taskforce, an additional \$500 000; and Office of Crime Prevention community safety grants, \$50 000. There were offsets including State Fleet savings of \$683 000; a counterterrorism capital project with an underspend of \$264 000; the Perth police complex had an underspend of \$240 000; and there was a reclassification of procurement personnel to the Department of Treasury and Finance that represented \$74 000. The offsets against those initial items is that figure of \$24.825 million. The member may want some further information about any of those line items.

Ms R. SAFFIOTI: Could the Treasurer tell us how many vehicles the fleet savings of \$683 000 involved; and, what type of operations those vehicles were being used for?

Mr C.C. PORTER: I understand that pursuant to negotiations and cooperation between Treasury and police, a 10 per cent target was set for reducing costs in the vehicle fleet. I am instructed that the larger proportion of that was in savings associated with procurement and purchase, so it does not represent a decrease in the overall size of the fleet; rather, better procurement and purchase arrangements have driven the savings.

Ms M.M. QUIRK: I want to ask about the \$4.2 million that the Treasurer referred to in relation to police and the information and communication technology continuity and development. Could the Treasurer provide further details as to what was involved in that; specifically, was any provision made within that for the upgrade of the firearms licensing system IT?

Mr C.C. PORTER: That is representative of a disagreement and resolution of an accounting problem. It was originally suggested that the ICT project and program would be treated as capital for the purposes of the budget, in which case it would sit as an asset. After analysis by Treasury, it was found to be more properly characterised as a recurrent expenditure, which means it is a debt that accrues. So the same amount of money was going to be spent, but the appropriate treatment of the expenditure and the result of expenditure was as a recurrent rather than capital expense.

Ms M.M. QUIRK: So even though it is recorded differently, can the Treasurer outline what projects were encompassed by that expenditure?

Mr C.C. PORTER: Not perfectly, but I understand that, in large part, that would have been about personal computers used in and about the police force.

Ms M.M. QUIRK: This question relates to the police, clause 3 and schedule 1. We had a discussion about the nature of extraordinary and unforeseen expenditure. For the past two and a bit years we have consistently had indications in this place, and indications by the Commissioner of Police, that every time legislation passes in this place, it requires the upgrading of the police computer system. We have had, also, responses from the Minister for Police, in the context of these various pieces of legislation, that the upgrade was not budgeted for. I am saying that that does not seem to be categorised, from what the Treasurer has said, as unforeseen expenditure. For example, I note that in the midyear review there was provision for the sex offender register upgrade of computers while other upgrades to computers required by legislation have not been picked up here.

Mr C.C. PORTER: The member and I have had this discussion in a variety of ways before, and I accept the point that she makes. The police are never demure in their requests for funding that attaches to this or that

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legislation. It is interesting to note that Treasury always takes a stringent eye to those requests that are associated with particular legislation. I do not deny that some legislation sometimes has considerable associated costs, but when one looks at the overspends for this year, I think the member is correct in saying that none of them can really be directly tied back to any specific legislation. I accept what the police commissioner has said on a number of occasions: there is a real challenge ahead for the police, particularly in ICT. He has notably mentioned data storage for the now voluminous amounts of digitally recorded information at crime scenes, through hand-held cameras at drug searches and things of that nature. I might also point out here that PathWest cost and demand pressures on DNA testing, more police on the front line and legislative changes all place pressure on the costs associated with getting information from PathWest. I accept what the member says, but as a matter of fact, it appears that this year nothing can be directly linked back to legislation. I do not deny the legislation has its effects here, but they are not readily quantifiable. The police have some ICT challenges ahead of them; there is no doubt about that.

Ms M.M. QUIRK: Following on from that point, when new legislative changes go before cabinet, would the Treasurer encourage the discipline that consideration be given at that stage to costs associated with whatever the new legislative reform is? Would the Treasurer concede that to date—certainly within the last two and a half years—that appears not to have happened, if these additional expenditures are having to be picked up in this process?

Mr C.C. PORTER: I would strongly encourage that discipline unless, of course, it is my legislation, in which case a more lax approach might be taken! That was an attempt at humour! I appreciate the point that the member made. Sometimes it is the case with law and order-type legislation, whether it extends as far as things like mandatory reporting of sexual offences and so forth or mandatory penalties for assaults on police officers, that a variety of theories are put on what the cost impacts will be. In the former of those two examples, I think there was an undeniable cost impact. In the latter of those two examples, I do not really think there was a cost impact, notwithstanding that some members asserted that there would be. They are difficult things to predict. My view, in my early days as Treasurer, is that it is very wise, for legislation in which it is clear and unarguable that there will be a cost impact, to try to work out as best we can what it is. The argument often surfaces that the problem we are trying to deal with is so urgent that we should not wait for the perfect empirical analysis of what the cost impact is going to be, but that is an argument that is had between Treasury and departments on a daily basis. I accept the member's point that, particularly with law and order legislation of a particular type, there is room for more discipline.

Ms M.M. QUIRK: Can I infer from your comments that you believe police put in ambit claims in this context on occasion?

Mr C.C. PORTER: I think that at times—police are no orphans in this process—there is a tendency to pad those claims. That having been said, on occasions a piece of legislation goes through the entire departmental, ministerial office and cabinet process, and it sometimes surprises me that the department has not identified particular cost pressures, through a lack of either analysis or imagination. But, ultimately, ministerial officers bear the responsibility of trying to work out, as best they can, the truth of these situations and what costs accompany a given piece of legislation.

Ms M.M. QUIRK: The Treasurer mentioned an underspend in schedule 1, in the context of a police counterterrorism project, of some \$250 000. Perhaps the Treasurer could give us a bit more detail about that particular project and the reasons for the Perth police complex underspend.

Mr C.C. PORTER: Notwithstanding the salubrious title of “Counterterrorism Capital Project”, it was an amount of \$264 000, which was deferred into the next out years. If I were to hazard a guess, I would say it was a delay in the construction of some or other piece of capital or the purchase of some or other piece of capital. But I do not know precisely what.

Ms M.M. QUIRK: I also asked about the Perth police complex underspend.

Mr C.C. PORTER: That is a delay.

Ms M.M. QUIRK: Still on police, the Treasurer has mentioned supplementary funding of \$2.533 million. What is that category made up of?

Mr C.C. PORTER: WA Police met \$5.1 million of its supplementary funding requests for 2008–09 through a reduction in its cash balances, with the amount being recouped over the next two financial years. The first instalment of \$2.5 million was approved in 2009–10. The original approval related primarily to wage outcomes under general agreement 4 for employees covered by the Civil Service Association, Government Regional Officers' Housing cost increases and the property receipt and exhibit storage project. Does that answer the member's question?

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Ms M.M. QUIRK: I think so. Is what the Treasurer said about costs and demand for the Chemistry Centre and PathWest an ongoing pressure, or how will it be resolved in future?

Mr C.C. PORTER: It is an ongoing pressure, but there are ways in which it can be solved without recalibrating expenditure in that area. I think there are a couple of ways that we are looking at that the moment. I have toured the Maylands facility. With requests for information, there is a tendency for an officer in charge of a particular matter to—if I can put it colloquially—“kitchen sink” it, so that there are requests for forensic evidence on just about everything. For instance, in a sexual assault matter, there might be swabs taken from any number of parts from any number of persons’ clothing and crime scenes; then it might later transpire that the only issue in dispute is consent, so evidence that shows person A was at the scene with person B, while not irrelevant, will not necessarily be a matter conceded. There are two things we are looking at here: the first is that the police are undergoing a fairly detailed modelling and tracking system, which has certain levels of oversight to ensure they are not over-requesting pathological information. The second thing is that we have given an undertaking to make modifications to the right to silence—whether they are made at the interview stage, the pre-trial stage or the trial stage. That is a matter that I am still working through, but it seems to me that a modification to the right to silence at the pre-trial stage would narrow the issues in such a way that it is likely there will be less voluminous requests. At the moment, I would say the police—not necessarily through any fault of theirs—are over-requesting PathWest-type information.

Ms M.M. QUIRK: Are you also considering changes to the disclosure requirements for the prosecution, which might modify the number of requests that are made for forensic testing?

Mr C.C. PORTER: I think I can say no to that question. The problem with disclosure for the prosecution is that it feeds in, properly in this circumstance, to the tendency to over-request. I think a more likely solution to the problem is some form of modest disclosure from defence at a relatively early stage to narrow the issues; if that were the case, there may not be the necessity to request the information. Again, I use the example of a sexual assault matter. If consent is the only thing at issue, it becomes unnecessary to request a whole range of information to fulfil what would otherwise be appropriate disclosure obligations.

Ms M.M. QUIRK: The Treasurer mentioned \$500 000 in relation to clandestine labs. Is that made up of overtime, additional salary and wages or equipment? What was that expenditure required for?

Mr C.C. PORTER: That appears to me to be a policy decision. A view is emerging, at least anecdotally, that the number of clandestine labs is on the increase. I have recently had a meeting with the Director of Public Prosecutions, and the difficulty we are now encountering is that, because of confiscation laws, clandestine laboratories are being placed in situ inside vans and minibuses, which is making them more difficult to detect. This was a policy decision to try to beef up the detection of those and other clandestine laboratories.

Ms M.M. QUIRK: Following on from that, is that by way of capital expenditure for additional technologies or is it for salaries and wages expenses for increased surveillance? What exactly is the effort directed towards?

Mr C.C. PORTER: As I understand it, it is generally operational. There may be some capital component to it for the types of things that help with surveillance. But, more likely than not, the overwhelming amount of money would be spent on mundane things such as overtime for surveillance and so forth.

Ms M.M. QUIRK: Can the Treasurer indicate why the additional \$500 000 for the Graffiti Taskforce was necessary?

Mr C.C. PORTER: Again, there was an upwards shift in policy. More resources are to be allocated to the task force. There was \$500 000 in 2009–10 and ongoing funding of \$1 million per annum thereafter for detection, removal and trying to decrease the incidence of graffiti.

Ms M.M. QUIRK: The Treasurer is talking about recurrent expenditure.

Mr C.C. PORTER: It appears in the four out years, yes.

Ms M.M. QUIRK: What is the total that is being allocated to the Graffiti Taskforce each year and is that just for salaries and wages for the people who administer the task force? What does that amount comprise?

Mr C.C. PORTER: I am operating under the assumption—I am informed that this is the correct assumption—that it is for the four out years. There is \$500 000 and then three amounts of \$1 million. The total additional funding is \$3.5 million. My trusty people are looking into the total budget at the moment because that information is not at my fingertips. I am not aware that this money is for anything novel or extra to the processes and duties that are undertaken by the task force.

Ms M.M. QUIRK: Which are what? That is what I am trying to get on the *Hansard* record. Maybe the Deputy Speaker could help the Treasurer.

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Mr C.C. PORTER: I would generally label them as matters aimed at reducing graffiti.

Ms M.M. Quirk: What is that? It is not physical removal itself, is it?

Mr C.C. PORTER: I think it is. It is at least liaison with groups that physically remove it.

Ms M.M. Quirk: It is liaison with groups; it is not physically removing it.

Mr C.C. PORTER: The groups that remove it include corrective services work parties and local government. I correct myself; it is \$4.5 million. It is \$500 000 plus four out years. I am not fully equipped to give the member a rundown of precisely what all the FTEs at the Graffiti Taskforce are employed to do, but I am sure that that information is readily available.

Ms R. SAFFIOTI: I refer to page 5 of the bill and to the additional funding of \$7.45 million for culture and the arts compared with the amount put forward at the time of the authorisation bill —

Mrs M.H. Roberts: It was \$1.3 million.

Ms R. SAFFIOTI: — which was \$1.3 million. I ask for the reasons for the increase. Also, why was depreciation listed? Depreciation would not be seen as urgent or unforeseen in anyone's language, so why was depreciation not considered as part of the normal budget process?

Mr C.C. PORTER: The answer to the first part of the member's question is that the \$6.449 million is primarily made up of \$4.3 million for the relocation of the West Australian Symphony Orchestra and \$2 million for the relocation of the West Australian Ballet Co. They were evidently policy decisions that were made during that financial year.

Mrs M.H. Roberts: Those decisions had already been made, so there must have been an increase in expenditure.

Mr C.C. PORTER: They may have been ideas in the embryo of a minister's mind, but they are not decisions that are made —

Mrs M.H. Roberts: In a press release.

Mr C.C. PORTER: They are not decisions that are made until they go through cabinet. It is not unusual. But even if a decision such as that is spoken about, mooted and put in a press release, the press release and the development of the submission occur after the end of a financial year and during the course of a financial year, and a policy decision is made. Bigger policy decisions than that are made, such as for a desalination plant or a foreshore development, which happened during the course of a financial year. I cannot comment on the specific background, but they are decisions made during the course of a financial year which receive cabinet approval and which are drawn on the Treasurer's advance for the provision of funding.

Depreciation relates to those two separate entities. As soon as the funding is allocated for the relocation of the orchestra and the ballet to the new premises, we become responsible, I presume, for the depreciation on the new premises, which means that that has to be factored into the budget as well, so that is part of those two. That seems to be an accounting practice. The money is on-allocated from the department to the specific institutions. If that occurs during the financial year, it appears as a new line item.

Ms R. SAFFIOTI: If that was the case, would there not be an offset somewhere? The net impact would be zero if money was just being transferred from one line item to another.

Mr C.C. PORTER: That is a good question. I am informed that the offset occurs in the Department of Culture and the Arts. The Department of Culture and the Arts allocated the money for depreciation. It then on-allocated that money. The offset is inside the Department of Culture and the Arts, which obviously, dare I say it, raises the question of why that offset does not appear. I have to say to the member that that is one of the complexities of accrual accounting that is escaping me at the moment, but I am happy to take that question on notice and give her an appropriate accounting-based explanation for why that occurs.

Ms R. SAFFIOTI: I know my accrual accounting and I am still confused. Treasurer, that is a technical issue. It would be very good if the Treasurer could follow that up with supplementary information.

Mrs M.H. ROBERTS: I refer to page 5. Under the heading "Minister for Energy; Training and Workforce Development", there is an allocation of \$9 604 000 for training and workforce development. The purpose of that amount was not specifically outlined in the Treasurer's advance. Can the Treasurer give me a detailed breakdown of why that money is required?

Mr C.C. PORTER: There are two items. The smaller one was an additional \$66 000, which was approved to assist with the development of the Western Australian skilled migration strategy. The larger part of the funding, which is \$9.5 million, was a policy decision approved for the purchase of 3 800 additional training places as part

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of a two-year program to increase training places by 7 600 in conjunction with the National Partnership Agreement on Productivity Places Program. Those program training places are expected to reach 156 000.

Mrs M.H. Roberts: I did not quite comprehend what the Treasurer said, as he responded quite quickly. He talked about skilled migration in the first instance and then he spoke about a training package.

Mr C.C. PORTER: There are two amounts. The total appropriation sought is \$9.604 million. The amount of \$66 000 was additional funding approved to assist with the development of the Western Australian skilled migration strategy, a policy change. The larger part of the overall amount was \$9.5 million. That was an approval from cabinet for the purchase of 3 800 additional training places, part of a two-year program to increase training places by 7 600. That was a policy decision made in conjunction with the National Partnership Agreement on Productivity Places Program, which means that the number of training places under the program is expected to reach 156 000 in 2011.

Mrs M.H. ROBERTS: The Treasurer referred to that money being allocated because of a national partnership agreement. Am I to understand that the federal government is in some way a partner in that program; and, if so, has it provided an equal amount of money? What has been the commonwealth contribution to that?

Mr C.C. PORTER: My understanding is that there is commonwealth money. Whether it is perfectly matching on a 50–50 ratio, I do not know. Yes, it is part of a commonwealth–state partnership program and some commonwealth funding goes into it.

Ms R. SAFFIOTI: I refer to the Treasurer’s former portfolio, corrective services. Again, at the time of the authorisation bill, it was anticipated that \$39.5 million in additional expenditure would be required, but under this bill that has come out to be \$66.038 million. Could the Treasurer explain the significant increase between those two amounts?

Mr C.C. PORTER: This relates to the way in which the department is presented with its funding at the beginning of a financial year. Activity-based funding is on a per prisoner head basis, which they call the daily average population. At the beginning of the financial year, the department predicts the daily average population based on historical data leading back several years. In that financial year the median daily average population for the year was predicted to be 3 900. There was further tightening in the parole conditions. The actual daily average prisoner numbers were anticipated to be 4 820. That is what the department needed to be funded for. It was originally estimated to be 3 900. That is a very clumsy system. Personally, having been responsible for that portfolio, I am keen to see whether there are better ways of at least going about the predictive analysis, but it is somewhat difficult. Frankly, that system relies upon a starting assumption, which is almost invariably wrong, and sometimes significantly wrong. From the start of this financial year to now we have had a decrease in the daily average prisoner population. The graph peak that relates to daily average prisoner population comes back down again. That is one of the difficulties with activity-based funding, particularly on a per head basis, when the inputs are coming from a variety of sources that are not controlled by executive government.

Ms R. SAFFIOTI: What was the daily cost that was inputted in these numbers and did they vary over the year as well?

Mr C.C. PORTER: No, they do not vary over the year. My best recollection is that the daily average cost of an adult prisoner is about \$93 000 a year. There is a fixed and a variable component to that. I cannot recall what that breakdown is off the top of my head. The daily average cost for a juvenile prisoner is higher than that. That is to do with the recurrent or variable cost being much higher, accounting for education, welfare services and so forth. That stays constant for the year. Those costs may need to be recalibrated into the future. One of the arguments put forward over the past several years by the Department of Corrective Services is that there is something of an underestimate of the quantum of the fixed costs in that overall cost because of things such as maintenance on facilities that are spread out in some areas of the state in which there is a lot of maintenance to be done, such as at Greenough Regional Prison. That may need to be reassessed in the future. It would need to be reassessed if further programs are delivered in prisons and so forth, but it is a fixed cost throughout the given year. Put simply, the increase above the expected average in prisoner population drives the increase.

Ms R. SAFFIOTI: I will just finish up in this area. Is the difference between the \$39.5 million and the \$66.038 million totally driven by the prison population issue or were there other factors? I noted that there was an increase in the Acacia Prison contract wages parity of about \$1 million. Have any other factors contributed to that increase in cost?

Mr C.C. PORTER: There are. Because of the model, the increased prisoner population directly represents \$49.7 million of that figure. There was also an increase in recruitment and training expenses for prison officers, which is not so indirectly related to the prisoner number increases, but it is not part of a DAP process.

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The department had a view that it needed to train more prison officers for the expected prison population. As it turned out, because the population subsided fairly rapidly in a short period, the estimate of the number of prison officers needed was over and the department has had to use vacancy management as a tool. In any event, in this financial year that was \$3.25 million. Funding for Acacia Prison wages parity was just over \$1 million. The enterprise bargaining agreement was negotiated. The agreement with Acacia is that its officers, whilst in the private sector, get paid at the commensurate rate of the EBA, so the private sector has the ability to operate and not lose staff to the public sector if there is disparity. That was a figure of just over \$1 million. There is an amount of \$249 000 for non-government human services sector indexation and risk cover insurance baseline adjustment. That figure appears in a number of agencies. The other one was an additional \$8.28 million for court security and custodial services. Largely, that was a policy change, particularly to address problems with service levels and improve service levels in response to the recommendations of the Ward coronial inquiry.

Ms M.M. QUIRK: I refer to the Fire and Emergency Services Authority of Western Australia and the figure of \$20.2 million on page 4 of the bill. The Treasurer's advance was for \$11.4 million. Could I clarify the reasons for the disparity in those two amounts?

Mr C.C. PORTER: There were two savings areas—\$813 000 for procurement savings and \$85 000 for State Fleet savings. The breakdown of the spending was as follows: the Western Australian natural disaster relief and recovery arrangements, \$13.176 million; bushfire suppression, \$6.621 million; state and emergency service response and recovery operation, \$736 000; emergency services levy state government assessment, \$364 000; Western Australian emergency rescue helicopter critical care paramedics, \$150 000; and Gold State Super employer contributions, \$62 000.

Ms M.M. QUIRK: Could the Treasurer provide some more detail on the emergency services levy amount of \$364 000 that he mentioned?

Mr C.C. PORTER: The member for Girrawheen may well know more about this than I do. The ESL was introduced in 2003–04 on the basis of state budget neutrality. FESA had estimated that the ESL on state government properties would be \$12 million for 2009–10. However, upon finalisation of the invoice, the actual assessment was \$11.6 million, which was \$364 000 under the budget estimate. That difference comes from consolidated revenue.

Ms M.M. QUIRK: I also refer to the figure of \$6.6 million for bushfire suppression. I take it that there was an underestimation of the budget for FESA operations for the year. I assume that the additional \$6.6 million was to meet the increased need for FESA activities because of seasonal factors.

Mr C.C. PORTER: That is generally the right description. There were incidents in Broome, Brigadoon, Darling Downs, Baldvis, Lancelin and Toodyay, among others. There were unfunded costs of \$6.6 million. My notes outline that the largest proportion of that \$6.6 million was for the hire of aircraft for water bombing, reconnaissance and aerial conditions, and also for the hire of heavy vehicles for the making of firebreaks.

Ms M.M. QUIRK: Is the Treasurer able to provide the full list? The Treasurer listed the predominant costs.

Mr C.C. PORTER: I missed two at the end of the list, being Badgingarra and Tremulla.

Ms M.M. QUIRK: Can the Treasurer outline how fleet savings of \$85 000 were achieved for FESA?

Mr C.C. Porter: Yes.

Ms M.M. Quirk: I think you are being coached by the Minister for Emergency Services.

Mr C.C. Porter: I am being coached from both directions.

Ms M.M. Quirk: It's a worry.

Mr C.C. PORTER: I am informed that there was no decrease in the number of operational vehicles. FESA met its allocated target for savings through procurement processes, which I presume means cheaper vehicles from different places, buying practices and so forth.

Mr R.F. Johnson: And some admin vehicles.

Mr C.C. PORTER: And with respect to some admin vehicles.

Ms M.M. QUIRK: And giving the incident controllers vehicles that do not go off road. I will not go there. The other issue the Treasurer mentioned was the rescue helicopter. I did not hear the Treasurer's full explanation of that.

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Mr C.C. PORTER: That was the \$150 000 for the 10 critical-care paramedics. St John Ambulance negotiated a significant award agreement with its staff, which included the critical-care paramedics employed for the emergency rescue helicopters. The result was that the service level agreement between FESA and St John Ambulance increased by \$150 000. It is part of that larger issue with St John Ambulance.

Ms R. SAFFIOTI: I refer to the voluntary severance package amount of \$34.126 million under the Department of Treasury and Finance on page 3 of the bill. That amount was a bit higher than the anticipated amount of \$30 million. Can the Treasurer provide a breakdown of how many people took the severance package compared with how many were expected to take it, and the average amount of those severance payments?

Mr C.C. PORTER: I would have to take the second part of the question, on the average amount of severance payments, on notice. I am sure that figure is available but I do not have it to hand. I am sorry; what was the first part of the question?

Ms R. SAFFIOTI: It was anticipated that \$30 million would be spent on that but the actual amount was \$34 million. What did that \$4 million increase relate to in terms of the number of people who took severance payments?

Mr C.C. PORTER: There were two schemes. There were 469 severances in the 2009 calendar year at a cost of \$47.8 million. For the second scheme, which is the one we are dealing with, there were 333 severances in 2010 at a cost of \$32.8 million. It appears that the agencies drew a total of \$34.1 million but only spent \$32.8 million in 2009–10 on severances. I am not certain whether that is because slightly fewer people took severances than was expected or that the cost of the anticipated number of severances was slightly lower than expected. I have received some advice. At the time of the Treasurer's advance, \$30 million was allocated for that process. It ended up costing \$34.1 million. More people took severances and the policy decision was made to allow for that to occur.

Ms R. SAFFIOTI: I refer to the Water Corporation state water strategy rebate scheme. I am a bit confused. There was \$2.4 million of additional funding. I thought that program was scrapped. Could the Treasurer explain why that \$2.4 million is in the bill? It did not appear in the authorisation notes last year. It is here. I thought the program had been scrapped. What does the \$2.4 million relate to?

Mr C.C. PORTER: In essence, there was an unexpected number of claims. The Waterwise rebate strategy closed on 30 June 2009. An amount of \$500 000 was budgeted to meet the wind-up costs and any additional claims made in 2009–10. An unexpected number of claims was received. When the closure was announced, an additional \$2.5 million was provided to the Water Corporation to meet the cost of those claims. The Minister for Water may have a somewhat more fulsome explanation for that. It does seem a rather large discrepancy in terms of the anticipated number of people who would claim under that scheme. Sorry; when it was advertised that the scheme would close, there was a rush on demand.

Ms R. SAFFIOTI: To clarify, it was administered by the Department of Treasury and Finance. Was it funding to the Water Corporation?

Mr C.C. Porter: Yes; it was to the Water Corporation.

Ms R. SAFFIOTI: I refer to the figure for first home owners' assistance. Again, we were told last February that \$235 million was expected to be given out in first home owners' assistance. That amount dropped to \$203 million. Can the Treasurer provide details of how many people were expected to receive that assistance and how many people actually received that assistance in 2009–10?

The second part of my question is: if, as I understand it, it is funded by the commonwealth, why does it appear in the Treasurer's advance? I thought it would just be revenue and expenditure item in the budget rather than coming through the TA.

Mr C.C. PORTER: The answer to the second part of the question is that because we have to pay it out before the recovery, it appears as an outgoing expenditure, in that it is recovered from the commonwealth at a later date.

Ms R. Saffioti: But why is it in the TA and not in the normal budget?

Mr C.C. PORTER: I think the member's question is: where do we show the incoming amount from the commonwealth in grants or revenue?

Ms R. Saffioti: But why would it be in the TAA if it happens each year?

Mr C.C. PORTER: The explanation for that is that in the 2009–10 financial year, the boost was announced. In that year, there were a total of 21 556 grants. That cost \$352 million in the year, and then inside that amount fits the \$203 million, which, once it was announced, provided for the extra applications.

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Ms R. SAFFIOTI: Could the Treasurer provide the comparison between the \$203 million and \$235 million; that is, what was expected, compared with how many were received?

Mr C.C. PORTER: Simply put, when the boost was announced, we expected slightly higher numbers; it was less than expected. I would hazard to guess that that was about property market conditions in and about Western Australia at the time—the same ones that persist now.

Ms M.M. QUIRK: While on the issue of the Department of Treasury and Finance, how much is budgeted for the department's service delivery in the revised funding model for Building Management and Works, and how was that revised model arrived at?

Mr C.C. PORTER: The member is right: Building Management and Works has been reconfigured. This is an amount of \$3.019 million implemented to enable the Building Management and Works business unit to directly manage the delivery of the government's non-residential building program by replacing the model in which the BMW invoices agency is based on the value of the work that is undertaken with the direct funding allocation model. In 2009–10, that was achieved by increasing the Department of Treasury and Finance service appropriation by \$3 million. The member's question seems to be whether recurrent amounts were allocated to that process or whether that has been absorbed. Sometimes Treasury is not too keen on absorbing costs. We might come back to the member shortly on that question. We will have a look in the budget papers.

Ms M.M. QUIRK: I will try to make it a bit more entertaining for the Deputy Speaker!

The DEPUTY SPEAKER: I thank the member.

Ms M.M. QUIRK: Page 5 of the bill indicates a \$16.5 million allocation to the Department for Child Protection. In the Treasurer's Advance Authorisation Bill 2010 last year, the figure was \$12.4 million. Will the Treasurer explain what the differences are made up of?

Mr C.C. PORTER: Again, I will quickly give the offsets: procurement savings of \$1.925 million; reduction in indexation payments as a result of previous overpayments, \$289 000. Expenditure items were high needs placements, with an amount of \$7 million; assist shortfall, \$3.608 million; residential care, \$2.864 million; emergency management services, \$2.248 million; employee entitlements, \$1 million; bereavement assistance program, \$785 000, homelessness national partnership agreement state contribution, \$635 000; hardship utility grant scheme, \$300 000; Gold State Super employer contribution, \$264 000; and depreciation, \$89 000. I can go through the first of those number of items, but my understanding is that in that financial year, there was a fairly considerable shift upwards in the number of children in contact with the department and in care.

Ms M.M. QUIRK: I am interested in the overpayments in indexation. Was that a miscalculation and how did it occur?

Mr C.C. PORTER: Treasury made a mistake and gave the agency more money than it actually needed in that area.

Ms M.M. QUIRK: I take it that there was a policy decision that it would be heartless to recover that money or it would cost more than the \$289 000 to recover it. Was that the decision made?

Mr C.C. PORTER: The overpayment was to the agency. The on-payments to the recipients went out, but even having had that happen, there was \$289 000 left in the department's kitty and Treasury took it back—it was not taken off individuals who were otherwise entitled. Treasury does that sometimes.

Ms M.M. QUIRK: In relation to the \$300 000 for the hardship utility grant program, I presume that was a policy decision taken in relation to escalating costs and charges.

Mr C.C. PORTER: That is the first APEC increase on the first of the government's policy decisions to increase HUGS. There is also a component for financial counselling services.

Ms M.M. QUIRK: I move onto the Department of Environment and Conservation outlined on page 6 of the bill, with an allocation of some \$39.4 million. The Treasurer's Advance Authorisation Bill allocated \$36.4 million. First, I would like to know the reasons for the variation. Second, so I do not jump up and down, how much was spent on wildfire suppression, and, again, was a factor more unfavourable weather conditions and circumstances than predicted?

Mr C.C. PORTER: To deal with the second part of the question first, the wildfire suppression of \$16 million all went to the Department of Environment and Conservation—aircraft equipment, staff overtime and other costs associated with the conditions that prevailed in that year. The difference between the Treasurer's Advance Authorisation Bill amount and this appropriation amount is all inside the landfill levy increase—a figure of around \$3 million. The deferral of the implementation of the landfill levy increase from 1 July 2009 to 1 January

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2010, plus a shortfall in the actual receipts in April to May 2010, resulted in a funding shortfall that was required to be replaced with appropriation funding.

Ms M.M. QUIRK: I move onto the Department of the Attorney General. No excuses here, Treasurer! Again, the Treasurer's Advance Authorisation Bill lists the figure as a little under \$24 million. On page 5 of this bill, it is \$26.1 million. Could I have the reasons for the variation? I then have some specific questions I want to ask.

Mr C.C. PORTER: The offsets first: transfer of funds for salary of state solicitors, \$259 000; executive director court and tribunal services funding shift, \$179 000; and State Fleet savings, \$117 000. Expenditure items: mesothelioma and act-of-grace payments, \$4.613 million; Legal Aid Commission expensive cases, \$718 000; the Office of the Public Advocate for the Consent to Medical Treatment Act 2008, \$342 000; and 2008–09 supplementary funding not previously provided, \$2.162 million.

It also includes the Coroner's Court backlog of files, \$822 000; Legal Aid funding for child protection, \$550 000; superannuation adjustments for State Administrative Tribunal members, \$27 000; depreciation adjustments, \$3.308 million; Gold State Super, \$518 000; the Bell litigation appeal costs, \$736 000; shared transactional human resources and ICT infrastructure services contract, \$3.222 million; Coroner's Court external costs, \$260 000; accused costs baseline adjustment, \$2.818 million; the Broome native title agreement, \$1 million; court security and custodial services contract, \$2 million; and lease payments, \$3.595 million. I am happy to go through all those if there is anything the member wants to deal with specifically.

Ms M.M. QUIRK: Firstly, can the Treasurer outline what the supplementary funding of a little over \$2 million was for?

Mr C.C. PORTER: Again, this appears to be one of those accounting issues. The Department of the Attorney General met \$2.2 million of its supplementary requests for 2008–09 through a reduction in its cash balances with the amount to be recouped in 2009–10. Therefore, that indicates it is a carry-through of spends from the previous financial year. I do not have the detail and I cannot recall off the top of my head what it was, but we can get that information on notice.

Ms M.M. Quirk: Thank you. While the Treasurer is on his feet, he talked about a baseline adjustment for accused costs. I gather a prediction is made about what they will be and that this is an adjustment of those costs after the event.

Mr C.C. PORTER: That is right. There is a problem with accused costs in my observation. I have not quite worked out how to fix it yet, but I am working on that issue. Anecdotally, I hear that there are police prosecutions that proceed to trial, fail and result in the defendants being paid costs, and that probably with a slightly higher degree of scrutiny those prosecutions may not have proceeded to trial. From my observation, one of the problems is that the budget for accused costs sits inside the Department of the Attorney General and the people who conduct the prosecution are basically police prosecutors, so, if they fail, it is no skin off their budgetary nose. I am working—I am sure I will have the police minister's cooperation—on ways —

Ms M.M. Quirk: He's nodding before he even knows what you want, Treasurer!

Mr C.C. PORTER: Indeed; he is a very agreeable fellow!

I am working on ways in which we can move that accused costs budget to the agency that incurs the cost. If that occurred, I would do that on the basis that if the agency spent less than was in the budget because it took a higher degree of scrutiny to the matters that go to trial, it would get to keep the residual money. I am working on that at the moment, but I think the problem is that the people who lose the money are not the people who appropriated the money.

Ms M.M. QUIRK: I thank the Treasurer; that was a very helpful explanation. What is the overall amount that is spent each year on accused costs? What percentage does that adjustment constitute of the total overall costs?

Also, while I am on my feet, the Treasurer has talked about increased scrutiny. For example, there has been a lot of media coverage that in cases before the courts involving video or closed-circuit television evidence, there will be some greater examination of the evidence before the matter proceeds to trial, and that may well result in fewer acquittals and fewer payments out of accused costs. I gather that in this period that scrutiny was not occurring. Does the Treasurer anticipate in future years that those costs will be reduced by virtue of the fact there is a greater level of review of the brief before the matter goes to trial?

Mr C.C. PORTER: My plain answer to the member is yes. I have seen the figure for the total amount for accused costs in the context of briefings to try to come up with solutions to this problem. I do not want to hazard a guess now and be wrong, but it is a substantial amount of money. Of course, arguments abound about whether defendants in the District and Supreme Courts should also receive the same benefit of accused costs. I have a

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particular view about that. I think there is some room for potential modification, but I certainly want to sort this problem out first. Yes, I would hope that that overrun figure can be restrained and eventually reduced, but I think that it would have to revolve around an incentive system in which a set amount has been allocated and the agency has to be able to keep what it does not spend, otherwise the incentive to give that extra level of scrutiny will not exist. I think that the police minister and I are both of the view—I believe the Commissioner of Police takes the same view—that there is room for further improvement in the levels of scrutiny. I think some improvement has been had by virtue of the fact that the Office of the Director of Public Prosecutions has started to integrate itself further into police prosecuting. I believe that has caused some improvement, but there is a long way to go and it is structural. Basically, what does it matter to a police prosecutor if a case fails in circumstances in which the accused is awarded costs?

Ms M.M. Quirk: There might be something called professional pride. The Treasurer might be familiar with that motive.

Mr C.C. PORTER: I do not in any way seek to denigrate police prosecutors; I think they do a wonderful job. I would like to see the police prosecutor exist for a very, very long time, if not forever. I think that we need a blend inside the Magistrates Court, probably for reasons associated with the fact that more and more serious matters are being heard in the Magistrates Court. I think police prosecutors do a good job, but the fact remains that some matters proceed to trial at the moment that simply should not, and costs are awarded. I believe that the incentive would be much greater if police budgetary money was being paid out rather than the Department of the Attorney General's budgetary money.

Ms M.M. QUIRK: Continuing with the Attorney General portfolio, the Treasurer mentioned act-of-grace payments. By act-of-grace payments does the Treasurer mean ex gratia payments?

Mr C.C. Porter: Yes.

Ms M.M. QUIRK: Therefore, I have the Treasurer's confirmation that it is the same thing—one and the same. The Treasurer also mentioned a figure for mesothelioma. Can the Treasurer split that up into the mesothelioma payment and the other ex gratia payments and let me know what the figures are?

Mr C.C. PORTER: The Andrew Mallard payment was in 2008–09. The \$4.4 million was three separate act-of-grace payments totalling \$251 000 made during the year and the rest of it is mesothelioma payments, which still flow in to my office regularly. I do not have information for the three act-of-grace payments. I recall them in general terms but I do not want to mislead the chamber. I can get that information again on notice if the member wishes.

Ms M.M. Quirk: In that context of finding out more details about it, is it the case that for all these people who have received some settlement by way of an act-of-grace payment there is a general attitude of the government that for privacy, commercial or some other reasons the details of those matters are not disclosed?

Mr C.C. PORTER: In many instances mesothelioma as a category certainly bears all the hallmarks of an out-of-court resolution of something that might constitute a civil claim. The member's description is accurate for mesothelioma; for act-of-grace, or ex gratia, payments, sometimes yes, sometimes no. I have tried where I can to ensure that there is public visibility, particularly of the big payments. I would have to check whether each of the three \$251 000 payments are confidential. I do not think that they are, from recollection.

Ms M.M. QUIRK: On the basis of getting the legal advice we pay for, can the Treasurer explain to me why there is a reduction of \$259 000 for the State Solicitor's Office? I think he said it was the transferring of salaries.

Mr C.C. PORTER: That appears as savings within the Department of the Attorney General's budget; in actual fact, it is not a global saving because some or other SSO lawyers have moved from the general PSM system onto the Salaries and Allowances Tribunal system, and having moved on there, someone else is paying, in effect.

Ms M.M. QUIRK: The Treasurer has also made reference to the Bell Group litigation and the appeal costs, which I think were some \$736 000. The material that we received in the context of the Treasurer's Advance Authorisation Bill listed that amount at \$1.07 million. I am wondering why there is a difference between those two figures.

Mr C.C. PORTER: We had to find three judges who were not conflicted out; they all came from interstate. I think the answer is that once we had appointed them all as a collective, they had actually started work on the appeal and it took longer than we thought it would to find three suitable candidates to fill the positions, so we did not start payment as early as we thought we might have.

Mrs M.H. ROBERTS: I refer to page 4 of the document, under the heading, "Minister for Regional Development". Two of the development commissions there list amounts that were not listed in the Treasurer's

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advance—the Pilbara Development Commission at \$704 000, and the Wheatbelt Development Commission at \$24 000. I would like to know what was unforeseen about those amounts and why they are required.

Mr C.C. PORTER: The Pilbara Development Commission was approved a \$570 000 figure in additional funding to cover a shortfall in non-restricted cash balances required to meet operational needs. I think that is a somewhat euphemistic way of putting that it had exceeded its budget in its operational expenses.

Mrs M.H. Roberts: Is the \$24 000 for the Wheatbelt Development Commission the same? That was not in the Treasurer's advance, either.

Mr C.C. PORTER: It is somewhat different. The \$24 000 was an unexpected cost incurred to cover the cost of fees charged by the Public Sector Commission for recruiting a replacement chief executive officer. The Wheatbelt Development Commission was unable to meet those costs within its existing resources, being obviously a very small office.

Mrs M.H. ROBERTS: There is an amount of \$5 million provided for the Heritage Council of Western Australia, and that appropriation certainly was not outlined specifically in the 2010 Treasurer's advance, so I am wondering what was unforeseen about that \$5 million and what it is for.

Mr C.C. PORTER: That \$5 million was for the Goldfields earthquake restoration fund, so that was obviously an unexpected allocation.

Mrs M.H. ROBERTS: I refer now to the Office of the Environmental Protection Authority. An appropriation for that was not outlined in the 2010 Treasurer's advance either. There is \$321 000 there. I am wondering what was unforeseen about that amount and what the money is required for.

Mr C.C. PORTER: An amount of \$285 000 was provided for the creation of a general manager position and associated support costs, including an executive assistant, a financial officer and an operating budget in the newly established Office of the Environmental Protection Authority. A \$126 000 amount was provided for the demerger of the Department of Environment and Conservation and OEPA. Gold State Super again featured here—\$10 000. There were some offsets of \$100 000 to do with the SAT determination, because SAT determined the new position of the OEPA general manager to be paid from SAT rather than general appropriation, so again that is a saving to the agency but not to government as a whole.

Mrs M.H. ROBERTS: I turn the Treasurer's attention back to the Department of Corrective Services. There was \$39.5 million provided there in the Treasurer's advance. It is now at \$66 038 000. Given that this is a portfolio that the Treasurer was formerly responsible for, how does he explain that massive—if I can use the vernacular term, rather than a euphemism—blow-out?

Mr C.C. PORTER: The member may have been having a cup of tea when this question was asked twice earlier, but I am very happy to give the same explanation a third time. The Department of Corrective Services is funded largely upon an activity-based model, with the additional feature of being funded per person. That funding is based on a daily average prisoner population—called a DAPP—which is an amount set at the time of the budget; in this case, 30 June 2009. It is as the member described it—an excess in anticipated expenditure, and it is one that happens regularly, because under this activity-based modelling, there is a system that provides the daily average prisoner population estimate, which invariably appears to be something of an underestimate of what actually happens, sometimes because of factors such as a change in policy settings in the parole board. This was the year of the sharpest increase in the prison population to a level that was driven, basically, by parole conditions of the Prisoner Review Board. That brought the daily average prisoner population for that year, 2009–10, up to about 4 820 after an initial estimate of 3 900. Subsequent to that, the daily average prisoner population has decreased; we will have to wait to see how that affects future years. For this year, the long and short of it is that, under the model that has been used and developed under the previous government, baseline funding is set, based on a DAPP, that more often than not is exceeded, sometimes considerably, depending on law and order policies.

Mrs M.H. Roberts: This was exceeded by about one-third.

Mr C.C. PORTER: Of total budget?

Mrs M.H. Roberts: From the Treasurer's advance. What is the percentage against the total budget?

Mr C.C. PORTER: At the time of the Treasurer's advance, the estimation of the daily average prisoner population was recalibrated, and there was still a significant increase between that recalibration at the time of the TA and the end of the financial year. It was one of the largest increases in prison population that the state has seen in recent history, and it caused increased funding on a per head of prison population basis. As I said to the member for West Swan, the funding is set on a basis per prisoner, part fixed, part variable. There are ongoing

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debates between the department and Treasury about how fair that amount per person is. From memory, it is about \$93 000 for an adult and more for a juvenile because of the additional services that are given. The member has given a description; it is funding in excess of what was anticipated, and that is part of the clumsy operation of this system, unfortunately.

Mrs M.H. ROBERTS: To be clear on this, I seek clarification from the Treasurer that this excess of money now required is solely attributable to the increase in the prisoner population and not attributable to an increase in the cost to house each prisoner. I also want to know whether any attempts have been made by the department—if so, what are they—to ameliorate that cost increase by making any cuts in other areas of Corrective Services.

Mr C.C. PORTER: In answer to the member's first question, the answer is yes and no. By that I mean that the member has asked whether the total amount sourced in these supplementary bills is only about the increase in the prisoner population or whether it is about other matters. It is about some other matters. I will give the member the breakdown: \$49.7 million is due to the daily average population model funding increase in prisoner population; \$3.25 million extra for recruitment and training that is linked not to the DAP model funding but to the increase in prisoner numbers; and \$1 million or just over for funding parity in wages for Acacia Prison. The EBA was negotiated very successfully and the increment as a matter of the Acacia contract is always passed on so there is not a flight of workers from one institution to another. There was \$249 000 for the non-government human services sector indexation. There was \$6.247 million for RiskCover insurance baseline adjustment. There are a lot of assets insured in Corrective Services. The final amount was \$8.281 million, which was additional funding as a matter of a policy decision given to the court security and custodial services contract to provide for improved services along the lines of the suggestions in the Ward coronial inquiry. That totals, in all, \$66 million and I think it safe to say that the first two are essentially to do with increased prisoner numbers, which is the DAP funding and the recruitment and training amount.

Mrs M.H. ROBERTS: The second part of my question to which I do not think I heard an answer was: given this increase in money required because of the increase in the prison population and the other matters the Treasurer just outlined, has the Treasurer attempted to make or has he made any cuts to parts of his budget in the way Education managed to find some savings to offset increased costs? Has the Treasurer managed to find any savings in Corrective Services; and, if so, what are they?

Mr C.C. PORTER: I am no longer the Minister for Corrective Services, but savings have been found inside Corrective Services. Ultimately, those savings are in effect redirected into the general budget to cope with other cost pressures. If I can give a few examples, one of the successes that we have had in the enterprise bargaining process, which will really come to fruition outside this financial year, is a variety of productivity trade-off measures to reduce the overtime bill for prison officer workers. We have had some early success with that and we will continue to do so.

Mrs M.H. Roberts: What does that mean? Are they doing fewer hours, working different shifts or what? Are there fewer officers per head of prisoner population?

Mr C.C. PORTER: No. There was a tendency for very large increases in overtime and we had noted, through good actuarial analysis of the department, that overtime was often worked by people who worked in the same division or area of the prison and in shifts shortly after one another. One of the rules set out in the EBA as a productivity gain was that workers could work the overtime shift of a colleague in the immediate division only once within a set time period. That was designed to decrease the practice of someone ringing in sick knowing that their associate or colleague might be able to take the overtime shift. Through that simple rule we have had some early success and we think that we will continue to do so. I would imagine that through the EBA process there will be considerable savings. Of course, those savings are matched by the increased baseline wages that we paid to the prison officers under their EBA. Although they are savings in one sense, they are redirected towards better baseline salaries for the officers. Having been the minister in that area, we are constantly looking for savings in one area of the department to drive into service delivery in another area of the department.

Mrs M.H. ROBERTS: Under the Swan River Trust there is \$793 000 now required in this appropriation that was not outlined in the Treasurer's advance. I am asking what was unforeseen there, why is this money now needed and what is it being spent on?

Mr C.C. Porter: What page of the bill?

Mrs M.H. ROBERTS: It is under the Swan River Trust, so that is the Minister for Environment.

Mr C.C. PORTER: There were offsets there, which explains the figure of \$793 000, but the expenditure item was \$1 million for the Swan and Canning Rivers' oxygenation program. So, \$1 million was provided in 2009–10 to trial new technologies to provide oxygen relief in areas that regularly suffer from poor water quality. There

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might be a number of reasons that decision was made in the middle of a budgetary cycle. It may be that the technologies became available or the conditions had reached a point at which there was a view that something had to be done immediately. That \$1 million figure was then offset by procurement savings of \$154 000 and State Fleet savings of \$5 000. A review of depreciation resulted in a saving of \$48 000, so the total expenditure was \$793 000.

Mrs M.H. ROBERTS: I now want to turn to the area of health, if I may. In the area of health there is a massive requirement for additional money of \$193.04 million. Can the Treasurer advise me what percentage of the overall health budget that represents? What has been the growth in expenses in health over the past 10 years?

Mr C.C. PORTER: The \$193 million figure is what we seek in appropriations. I am not sure off the top of my head what is the percentage of the overall health budget. I am not one of those persons who can drop a pack of toothpicks and tell how many hit the floor! Our people will look into that as we proceed.

I am afraid I do not have to hand the figures on the yearly growth in recurrent expenditure in health over the past 10 years, but I can say that we have had a significant recalibration in this financial year. In large part, that \$193 million, taking away the offsets, represents an increase in expenditure of \$210 million, which was based on activity and cost growth. A submission was put to the then Treasurer by the Minister for Health that he needed a baseline restructure of his funding, and it was approved.

What have been the results of that in expenditure growth? The health expenditure growth has slowed to a lower-than-expected 6.8 per cent in 2009–10. That was a figure that was adjusted for the establishment of the Mental Health Commission. Part of the slowing of the recurrent growth in health has been due to the restructure of the budget, and the increased scrutiny and collaborative scrutiny that had been placed upon the Department of Health. In the current year, the actual expenditure in growth for the first three months to September 2010 is tracking well at 7.8 per cent, which is close to the budget expectations and estimates.

Mrs M.H. Roberts: Is that 7.8 per cent growth?

Mr C.C. PORTER: Yes. That is just under 0.1 per cent of the targeted growth in the budget estimates. It is on track to meet targeted growth. I do not have the figures for growth in the health budget over the past 10 years, but I think it is safe to say that it is far in excess of the figure of 7.8 per cent, which we have budgeted for and which we are meeting. It was up to 12.7 per cent at one stage. It appears that in the short space of two years, we have reined in the recurrent growth in health.

Mrs M.H. ROBERTS: I want to continue on the health budget. I think we are all aware that \$210 million is an awful lot of money. We are told that it is for general activity and cost growth in health. I am wondering whether the Treasurer can provide us with a proper breakdown of where these increases are. Am I to assume that the cost of every aspect of the health system is increasing? The Treasurer has outlined pressures such as wages and so forth in other areas, but he has not done so in our discussion on health. He talked about growth in health being slowed to 6.8 per cent. Does that mean that there is a different rule for the Department of Health from that for other departments? The Treasurer referred to 7.8 per cent as a good figure to slow it down to and said that it is within 0.1 per cent of his expectations. Is that what we should anticipate in future years—that it will continue to grow at more than seven per cent and that we will say that that is in line with our expectations and therefore it is a good result? Why should we accept this growth in health when I do not believe we accept it in other agencies or departments?

Mr C.C. PORTER: Let me start by addressing the question of whether the estimate of 7.8 per cent that we have placed in the budget for the recurrent growth in health is acceptable, proper or right. That is a difficult question to answer, but let me answer it in stages. Is that 7.8-odd per cent estimated growth in recurrent health expenditure better than the 12.6 per cent achieved in 2007–08 and the 12.3 per cent achieved in 2008–09? It is a very significant turnaround in recurrent expenditure growth in health.

Mrs M.H. Roberts: But it's off a higher base, though, isn't it? It's after two lots of 12 per cent growth.

Mr C.C. PORTER: It is off a slightly higher base; there is no question about that. But that goes back to the member's proposition about what \$193 million represents in the overall health budget. The overall health budget is massive. The point about health, as it seems to me—I am not yet an expert on the health budget, and maybe I never will be—is that the demand in the health sector is not driven merely by population growth. Indeed, it seems that we have underestimated population growth at 1.5 per cent, which is a major problem in this recalibrated figure in the 2009–10 budget. It is about new technologies coming on board that people want to partake in and it is about an ageing population. What we can expect at best is to restrain health growth at around five, six and seven per cent. I do not think honestly and openly that the member can expect much better than that over the next decade. When recurrent expenditure growth in health is above 12 per cent, that means that the state government, of whatever political stripe, has increasingly limited capacity to fund competing priorities from

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other service delivery components of government. There is no doubt that part of the reason for the need for that \$193 million was an underestimate of population growth and an underestimate of demand and the growth in demand. But, clearly, there were other factors, including less than appropriate budget management practices that we have inherited and that we are trying very hard to fix. As I say, if expenditure in health growth has slowed to a lower than expected 6.8 per cent in 2009–10, even given the fact that that is adjusted for the establishment of the Mental Health Commission, that is a very significant improvement. If the member wants us to deliver even better improvements, we are working on that. But I think some recognition needs to be given to that very significant improvement.

[Quorum formed.]

Mr C.C. PORTER: If we have a quorum now, I might ask the Minister for Planning to sit in for me for a minute or two.

Mrs M.H. ROBERTS: This is rather awkward since I have been asking a series of questions about health. I do not think the member who is now sitting in the Treasurer's chair was present for the earlier questions. I am not quite sure whether he is equipped to give us the answers that we require. What areas in health has the government looked at to make any savings to mitigate the general increases in a range of areas that the Treasurer has already outlined?

Mr J.H.D. DAY: I am standing in for the Treasurer briefly. I am advised that the rate of growth in health expenditure decreased quite significantly in the 2009–10 financial year, when it was 6.8 per cent. That is quite a significant reduction compared with the growth that occurred in 2007–08, which was 12.6 per cent, and in 2008–09, which was 12.3 per cent. That indicates that the rate of growth has been much more under control —

Mrs M.H. Roberts: I am asking what savings have been made.

Mr J.H.D. DAY: That is something that should be directed to the Minister for Health, who can provide the detail of what has been undertaken within the health budget. I think it is reasonable that that question be directed to the Minister for Health during the forthcoming estimates committee discussions, questions on notice or even questions without notice so that more detail can be provided.

Mr R.H. COOK: I refer to the \$210 million that was allocated to health. It was anticipated that only \$193 million would be required. Given what the Treasurer described as a reduction in the growth of the health budget, could the Treasurer provide some analysis of that extra \$17 million that was needed?

Mr C.C. PORTER: Is it a problem of flitting in and out of the debate while I am frustrated with the privations of being here the whole time? The \$193 million represents the expenditure minus the offsets. The offsets are \$6.25 million, \$6.316 million and \$5.741 million. The expenditures are \$450 000 for pre-risk cover medico-legal; \$586 000 for the National Partnership Agreement on Indigenous Economic Participation; \$275 000 for the national healthcare agreement; and the big-ticket item, which was the figure the member noted, was \$210.036 million for the restructure, as the member is aware, of the health budget. When those figures are added up and we take away the offsets, the figure is \$193 million. It is not a discrepancy between the Treasurer's Advance Authorisation Bill and the figure sought, although there are sometimes those types of discrepancies.

Mr R.H. COOK: I have a question about sport and recreation. Can the Treasurer provide us with a breakdown of the extra operating costs for the athletics and basketball stadiums?

Mr C.C. PORTER: If this is about the \$2.399 million for the operational funding of the AK Reserve, there are two figures for the Western Australian Sports Centre Trust: \$2.399 million and an additional depreciation provision of \$687 000. This was a policy decision. The stadium has been finalised. At that time, a realistic calculation was made of what its recurrent funding cost would be to the WA Sports Centre Trust. The policy decision was made in that financial year to appropriate that recurrent expenditure. That operational funding is \$2.399 million a year, with depreciation costs. There are some offsets inside the WA Sports Centre Trust of \$171 000 and \$7 000, so the total sought was \$2.908 million, but it costs a significant amount of recurrent moneys to run a very nice athletics stadium like that, and that, in effect, represents what they are.

Mrs M.H. ROBERTS: Under "Minister for Mines and Petroleum" is a total of \$12 million for mines and petroleum administration. I understand that that amount is connected to refunding money to mining companies that withdraw their applications. Can the Treasurer outline why that has occurred and why it is a different amount from that which was anticipated when the budget was brought down? Is this another estimate that was either wrong or inaccurate?

Mr C.C. PORTER: It depends on how many people withdraw from the arrangement and require a refund. As I understand, \$7 million is allocated each year. This \$5 million sits on top of that \$7 million. This year, \$12 million was required for the mining tenement refunds. I am not sure precisely what happened during that

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year. It is more than usually occurs in a year, but I cannot give the member an explanation for why there were more mining tenement refunds in that year than in previous years. It might be general economic activity.

Mrs M.H. ROBERTS: I have a Department of Treasury and Finance question, but it is listed under “Premier” on page 3 of the bill. The voluntary severance package is \$34 126 000, which is a lot of money. Does the Treasurer have any detail about how many people that provided voluntary severance for and which agencies those employees were from?

Mr C.C. PORTER: Again, this question has already been asked, and at least in part answered. There were two calendar year schemes. In 2009, there were 469 severances at a cost of \$47.8 million. In 2010, there were 333 severances at a cost of \$32.8 million. The initial drawdown was \$34.1 million for the calendar year 2010; however, the agencies spent only \$32.8 million in 2009–10. The breakdown of those figures is: Health, 136 severances totalling \$13.3 million; Education, 121 severances totalling \$9 million; Planning, 54 severances totalling \$6.1 million; Environment and Conservation, 52 severances totalling \$5.5 million; and Landgate, 43 severances totalling \$4 million.

Mrs M.H. ROBERTS: Why were these severances not anticipated at the time of the budget? Will this be an ongoing standard in future budgets? Will the government continue to provide the same voluntary severance package, or will it be offering different severance packages, including compulsory severance packages?

Mr C.C. PORTER: In the context of the financial year 2009–10, a policy decision was made on the severance package relatively late in the year after having assessed the success of the first severance package that fell in the previous financial year. A view has emerged in government that if we are to keep recurrent expenditure growth down, particularly recurrent wages expenditure growth, we can use certain useful tools. One is an appropriate agreed-upon universal measure of full-time employees, agency by agency and department by department, so that we can monitor their growth in order to prevent growth in those. A policy decision was made to have a second round of voluntary severances as the mechanism was used very successfully in the financial year prior to 2009–10. That policy decision was taken inside that year and not at the time of the budget prior to that year. It has been a very successful tool as part of a number of measures to keep recurrent wages expenditure growth down.

Mrs M.H. Roberts: Is it continuing? The Treasurer did not answer that part of the question.

Mr C.C. PORTER: There are two ways in which there might be more severances; that is, as part of the process of this budget, or inside a year following this process. I am not going to speculate on whether that is or is not going to happen as part of this budget, but it has been a successful tool in reining in recurrent wages expenditure growth and it is certainly something that will be considered.

Mrs M.H. ROBERTS: In looking through the Treasury and Finance figures, I acknowledge that we have referred to some of these amounts before. I refer the Treasurer to page 3 of the bill under the heading “Premier; Treasurer; Minister for State Development” and I note that ministerial responsibility has now changed. Looking at those figures, I note that there are three amounts that I am aware of that were not specifically outlined in the Treasurer’s advance. We have already highlighted the amount of \$6 305 000 in the state development portfolio, and the Treasurer dealt with that earlier. There are two other amounts there that were not in the Treasurer’s advance: one is the amount of \$2 311 000, which is unfunded liabilities of the government insurance fund and which the Treasurer has also dealt with; and the other is \$2 445 533 for the state border strategy rebate scheme. I may have been out of the chamber at the time. Has the Treasurer outlined that amount yet to the house; and, if not, can the Treasurer outline what that is for?

Mr C.C. Porter: Member, can I just go through those one by one? Which is the first one the member wants to deal with?

Mrs M.H. ROBERTS: I think very early on this evening the Treasurer dealt with the \$6 million for state development.

Mr C.C. Porter: Yes.

Mrs M.H. ROBERTS: The Treasurer has already spoken to me about the Insurance Commission and the unfunded liabilities for the insurance fund and the 20 per cent. I do not recall the Treasurer talking about the state water strategy rebate scheme item, which also was not outlined in the Treasurer’s Advance Authorisation Bill.

Mr R.F. Johnson: He’s already given the answer to that one.

Mrs M.H. ROBERTS: The minister is being rude.

Mr R.F. Johnson: If you read *Hansard*, you’ll get the answer again.

Mrs M.H. ROBERTS: Sorry, the minister is wasting time as usual.

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Mr R.F. Johnson: No, you're wasting time, member, because you've been out of the chamber for most of the evening. You're supposed to be the shadow Treasurer!

Mrs M.H. ROBERTS: I do not expect the truth from the minister, so I am not going to enter a debate. The minister is an angry old grandpa and I imagine he wants to go home to bed, but he is the one who chooses to continue into these hours. I am quite happy to stay here all night if the minister likes, and the ruder he is, the longer we can stay in the chamber as far as I am concerned.

Back to the Department of Treasury and Finance, I have asked the question of the Treasurer and I believe that he was happy to answer the question.

Mr C.C. PORTER: I am happy to answer the question again. The Waterwise rebate strategy closed on 30 June 2009 and \$500 000 was budgeted to meet the wind-up costs and any additional claims made in that year. However, a large number of unexpected claims were received when the closure was announced, and an additional \$2.5 million had to be provided to the Water Corporation to meet the cost of these claims. In short, there had been a reasonable expectation that we would have so many claims in a year but that expectation proved inaccurate because the psychology of people out there in the marketplace was that they saw the scheme was closing and there was a rush on to buy the product, if we like, so the money had to be allocated. Therefore, it was an underestimate due to the psychology of the situation.

Mrs M.H. ROBERTS: While we are still on the subject of the Department of Treasury and Finance, the government recently announced that it will be split into the two agencies of Treasury and Finance. I wonder whether funds have been allocated for that. Indeed, what funds, if any, are required for that departmental split? What increase in costs will there be and how will that be met?

Mr C.C. PORTER: I am not entirely sure how that relates to the 2009–10 supplementary appropriation bill, but the answer in any event is that it is a matter that is presently being considered. If additional costs are associated with the split of DTF into DT and F, they will be managed to ensure that they are the bare minimum.

Mrs M.H. ROBERTS: I have a question about fleet savings. Given that in a number of the Treasurer's responses tonight he has pointed to agencies that have achieved fleet savings, is the Treasurer able to provide me with a list of the fleet savings that were achieved in 2009–10? The Treasurer has already outlined the figure for Education and some other agencies or departments, so do we have a total figure for fleet savings in the same way that the Treasurer has undertaken to provide me at a later stage with the full figure for the additional costs that agencies and departments have faced because of the Office of Shared Services situation?

The Treasurer has also referred to procurement savings across a range of departments and agencies and how they have been made. Again, I specify Education, but the Treasurer has also referred to procurement savings in other agencies and departments that we have spoken of this evening. Therefore, can the Treasurer tell me the total amount of procurement savings that were made across 2009–10 as compared with the budget?

Mr C.C. PORTER: What will appear in these papers is whether there is a fleet saving or a procurement saving. It will appear only in these papers and, for the purposes of this bill, whether there is an overspend in the same agency. It is an offset. Other agencies and departments will have achieved procurement and State Fleet savings in this financial year, but they will not appear in these papers if the department in which those savings were harvested did not also overspend because then there is no offset.

Mrs M.H. Roberts: What will happen to those savings made by those agencies that have not had an overspend and achieved fleet savings or procurement savings? Are they recouped by the Department of Treasury and Finance or can they be used for other purposes by the agencies and departments?

Mr C.C. PORTER: Perhaps some context will assist in the explanation. Where there was a light commercial vehicle fleet reduction initiative, the figure set was 10 per cent. The first year of the three-year initiative has been completed and progress is on target. There have been 427 vehicles retired from the fleet. That represents an almost 100 per cent achievement of the 440 target for 2009–10. That is the number of vehicles that were retired from the fleet in this financial year. Treasury in its own briefing note pats itself on the back and says that that is an impressive result. In financial terms, the reduction to date will achieve savings in fleet costs of approximately \$5.1 million per annum. The member's question is in effect: does that get sent back into the department or into consolidated revenue? Yes. It is harvested from the budget and it goes into consolidated revenue for the year, so the saving becomes a global saving for government. I think those figures answer also the member's first question, although it does not give her a department and agency breakdown. I am sure one is available. I am happy to take that question on notice. The only figures I have here are those that are relevant to this bill.

Mrs M.H. ROBERTS: I am not sure whether I heard the Treasurer correctly, but I think he said he had overachieved on the fleet savings. Was that what he said when he said Treasury had patted itself on the back, so

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it either achieved the target of fleet savings or exceeded the target? I am not sure why Treasury was giving itself a pat on the back. I have a further question but I want to know which of those two it was before I ask it.

Mr C.C. PORTER: Treasury almost met 100 per cent of its target. The target for vehicle fleet reduction in 2009–10 was 440, and 427 vehicles were retired in that year. It was a little short of the target; nevertheless, it was a fairly good effort, which resulted in \$5.1 million worth of savings in that year.

Mrs M.H. ROBERTS: Some of those savings were offset against some excesses in some agencies. I turn again to the Department of Education —

Mr C.C. Porter: There are other priorities we can spend money on.

Mrs M.H. ROBERTS: I agree. Because of those cost pressures in other areas, in a sense, Treasury managed to overachieve in fleet savings. Treasury achieved a greater amount of fleet savings than it anticipated when the budget came down. Given it overachieved, I am assuming that would have assisted the Treasurer to achieve the overall result of nearly the 100 per cent he was seeking. Given the Treasurer said he would provide me with a list of the savings of each of the departments, I think that will cover the information I am now seeking.

Mr C.C. Porter: We will provide that information.

Ms M.M. QUIRK: I refer to the Department of Racing, Gaming and Liquor. Now I am talking, member for South Perth! I understand that in the Treasurer's Advance Authorisation Bill there is \$7.1 million, but I notice in the Appropriation (Consolidated Account) Recurrent 2009–10 (Supplementary) Bill there is something in the vicinity of \$6.1 million, so it is a decrease rather than an increase. Can the Treasurer explain why that has occurred?

Mr C.C. PORTER: It is an accounting issue, of sorts. There is a budgeted amount that we expect to rebate the Department of Racing, Gaming and Liquor, based on its receipts from gambling. If those receipts increase, our expenditure on it increases. In effect, it did better than expected and pursuant to the funding model, we had to give that money over, which was GST gambling rebates of \$6.172 million. The department is required to budget expenditure for the GST gambling rebates relating to casino taxes, turnover tax, and revenues associated with the Burswood Casino, Racing and Wagering Western Australia and Lotterywest. However, the figures are not known in advance, so they are estimated by the department during each budget process, and expenditure for 2010–11 was higher than expected, resulting in the need for additional funding of \$6.2 million.

Ms M.M. QUIRK: It is late at night, and I apologise if I am not as alert as I should be, but the figure was originally \$7.1 million and it has been effectively revised down in this bill, so it is the other way around, is it not?

Mr C.C. PORTER: There was an estimate at the beginning of the financial year. At the time of the Treasurer's advance, we thought we would have to give out \$7.1 million because the GST paid on all the gambling activities by the department was estimated to be \$7.1 million higher than what we had expected at the beginning of the budget cycle. Then, at the very end of the budget cycle—indeed, after it, now—we assessed that figure down to what the member sees there: \$6.172 million. There was an estimated actual, and an actual.

Ms M.M. QUIRK: Is the Treasurer saying that it is good news that we have to pay less GST?

Mr C.C. PORTER: Less GST than what we thought at the time of the Treasurer's advance, but more GST than what we thought at the beginning of the budget process.

Ms M.M. QUIRK: In respect of Health, on page 3, and also referring back to some of the itemised amounts in the Treasurer's advance, I understand there was an amount for Princess Margaret Hospital for Children fire detection and the Princess Margaret Hospital for Children emergency power generator. Can the Treasurer explain why that is extraordinary or unanticipated, or needs to be dealt with in this way?

Mr C.C. PORTER: I think this might be capital.

Ms M.M. QUIRK: Sorry; it is too.

Mr C.C. PORTER: I am happy to move on to the capital bill, if the member wishes!

Ms M.M. QUIRK: No, I apologise; it is late at night!

I refer to the Kimberley Development Commission, on page 4, and particularly to the re-cashflow—a word that I do not believe exists in any dictionary—of the Weaber Plains flood mitigation project. I want to know the basis for that decision, why it was decided to not spend that money, and whether advice was given that, for some reason, floods would not be a problem at that particular location. Why has that occurred?

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Mr C.C. PORTER: I must confess to not being an expert on the Weaber Plains flood mitigation project, but the information I have is that this was squarely the result of delays in the implementation of the project. Whatever the money was to be spent on was taking longer than expected to come to fruition, so the expenditure did not arise. We think that they were seasonal issues, but that question will have to be directed to the minister, I think.

Ms M.M. QUIRK: I take it from that that Weaber Plains is still under some level of risk because that work has not been undertaken?

Mr C.C. PORTER: I see what the member is getting at. I imagine that a whole range of areas in the Kimberley are at some level of risk, but the money has been allocated and re-cashflowed. This is not a lack of desire or a lack of appropriated funding; the project is just taking longer than expected, and there might be any variety of good reasons for that.

Mrs M.H. ROBERTS: I wish to ask about two items that I do not believe we have queried the Treasurer on this evening. They are, on page 4, the issue of the Disability Services Commission and what the \$6.913 million is for; and, on page 5, the allocation of \$16.579 million under “Child Protection” for the Minister for Child Protection; Community Services; Seniors and Volunteering.

Mr C.C. PORTER: Sorry—the Disability Services Commission?

Mrs M.H. Roberts: Yes.

Mr C.C. PORTER: What line item was that, member?

Mrs M.H. Roberts: It is on page 4, and it is an allocation of \$6.913 million.

Mr C.C. PORTER: I might start by saying that “just quickly, Treasurer” are three words that I never hear in the same sentence. The allocation of \$6.913 million is made up of \$2 million for five out-of-home respite facilities; \$3.998 million for non-government human services sector indexation; \$1.221 million for depreciation; and \$250 000 for Gold State superannuation. The offsets are \$371 000 for procurement and State Fleet savings of \$185 000. The out-of-home respite facilities allocation is a result of a policy decision. There was funding of \$11.8 million for the purchase of respite houses and \$4.6 million was offset; and there were supporting operational costs of \$7.2 million. The funding was previously approved in 2008–09 as part of the government’s election commitments. In 2008–09, funding of \$4.6 million was not spent, and the Disability Services Commission was given approval to reallocate those funds over 2009–10 and 2010–11.

In line with the indexation policy for the non-government human services sector, an additional \$4 million was provided in 2009–10 for indexation payments to disability sector organisations funded by the commission. The increase in depreciation of \$1.2 million was due to previous underestimation of depreciation for commission-owned buildings.

Mrs M.H. Roberts: Does that mean that the buildings were revalued?

Mr C.C. PORTER: I think they were reassessed in terms of the depreciation over their life. Depreciation depends, obviously, on the state of the buildings and the number of years over which the asset runs down to zero.

Mrs M.H. Roberts: I understand that.

Mr C.C. PORTER: I think I have covered those items, member. What was the other question?

Mrs M.H. Roberts: It was about child protection; it is on page 5, and it is an amount of \$16.579 million.

Mr C.C. PORTER: I have been through this previously, but perhaps I can summarise it.

Mrs M.H. Roberts: If you have, that is fine; I will read it. Thank you.

Ms M.M. QUIRK: I refer to page 5 and to the heading “Minister for Energy; Training and Workforce Development”. In relation to energy, the Treasurer’s advance requested \$818 000 for gas supply and emergency management committee recommendations; could the Treasurer expand on this?

Mr C.C. PORTER: If it has appeared in the TA but is not in these appropriation bills, it has not eventuated, notwithstanding our prediction in the TA that it may have.

Schedule put and passed.

Title put and passed.

Leave granted to proceed forthwith to third reading.

Third Reading

Bill read a third time, on motion by **Mr C.C. Porter (Treasurer)**, and transmitted to the Council.

Extract from *Hansard*

[ASSEMBLY — Tuesday, 15 March 2011]

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