

Chairman; Mr Eric Ripper; Mr Murray Cowper; Mr Colin Barnett; Ms Rita Saffioti; Dr Mike Nahan; Mr Bill Marmion; Mr Mark McGowan

Division 3: Premier and Cabinet—Service 1, Support for the Premier as Head of Government, \$11 319 000; Service 2, Management of Matters of State, \$75 186 000; Service 3, Management of Policy, \$10 330 000; Service 4, Parliamentary, Statutory and Legislative Publishing Service, \$411 000; Service 5, Management of the Constitutional Centre Programs, \$971 000 —

Mr V.A. Catania, Chairman.

Mr C.J. Barnett, Premier.

Mr P.F. Conran, Director General.

Mr G.A. Hay, Assistant Director General, Security Planning and Coordination.

Mr G.J. Moore, Assistant Director General, State Administration and Corporate Support.

Mr M.S. Jaffar, Management Accountant.

Mr R. May, Deputy Chief of Staff, Office of the Premier.

Mr K.A. Jones, Principal Project Officer.

The CHAIRMAN: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be published by 9.00 am tomorrow.

The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. This is the prime focus of the committee. Although there is scope for members to examine many matters, questions need to be clearly related to a page number, item, program, or amount within the volumes. For example, members are free to pursue performance indicators that are included in the budget statements while there remains a clear link between the questions and the estimates. It is the intention of the Chairman to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The Premier may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, I ask the Premier to clearly indicate to the committee which supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the Premier's cooperation in ensuring that it is delivered to the Committee Clerk by Friday, 5 June 2009, so that members may read it before the report and third reading stages. If the supplementary information cannot be provided within that time, written advice is required of the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers and accordingly I ask the Premier to cooperate with those requirements.

I caution members that if the Premier asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office. Only supplementary information that the Premier agrees to provide will be sought by Friday, 5 June 2009. It will also greatly assist Hansard if, when referring to the program statements volumes or the consolidated account estimates, members give the page number, item, program and amount in preface to their question.

I now ask the Premier to introduce his advisers to the committee.

[Witnesses introduced.]

The CHAIRMAN: Members, we are on division 3. Are there any questions?

Mr E.S. RIPPER: I refer the Premier to page 89, service 3, "Management of Policy", and I quote —

The Department provides advice to and co-ordination for the Premier and Cabinet on key policy matters to ensure an effective government-wide perspective in social, environmental, economic, regional and sustainability policy areas ...

I refer to yesterday's revelation that Churchlands Senior High School will receive \$10 million and that Applecross Senior High School will be rebuilt at a cost of \$56 million. I also refer to the Minister for Education's admission that these decisions did not emerge from departmental advice or priority lists. I now ask: what advice did the Premier receive from his department on these issues? What was the Premier's involvement in these decisions? Are these decisions examples of blatant whiteboard exercises to prop up Independent support for the Premier's government? Will these decisions result in outer-suburban areas being denied much-needed new schools? And will the Premier tell the committee why he does not consider these decisions to be a corrupt use of taxpayers' resources?

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Mr M.J. COWPER: Chairman, could I ask for the line item that I missed?

Mr E.S. RIPPER: The line item is service 3, “Management of Policy”, on page 89—pay attention.

Mr C.J. BARNETT: The last part of the question was an assertion of corruption, which is totally inappropriate, and so I will leave it to one side. However, I will comment on —

Mr E.S. RIPPER: Will the Premier not answer the question? Will he not deal with the assertion that this is a corrupt use of taxpayers’ resources?

Mr C.J. BARNETT: No, I will not, but I will answer the rest of the questions.

Mr E.S. RIPPER: So the Premier will not deny the allegation.

The CHAIRMAN: The Premier has the call.

Mr C.J. BARNETT: It is going to be a long day; here we are at one minute past nine —

Mr E.S. RIPPER: If the Premier will not answer questions, it will be a long day.

Mr C.J. BARNETT: I do not respond to assertions of corruption and, frankly, the Leader of the Opposition belittles his position in making such assertions. I will respond to the issues about the two schools. First, Churchlands Senior High School has, I think, a population approaching in the order of 1 800 students. It is a very good school. It is very much overcrowded and I make no apology, as I am sure the Minister for Education would not, for adding extra classrooms and facilities to that school. It is one of the largest schools in the metropolitan area and the facilities are not good enough. Second, Applecross Senior High School, which I can remember visiting as the education minister around 1999-2000. The school was past its use-by date and I committed to the teachers and the parent group that we would bring it forward for a replacement project—I did not put a time or date on it. At the time, the Shenton College project in which two schools were combined into one had just been completed and that started a generation of new and rebuilt schools. Applecross high school has concrete cancer. As late as the 1990s, pieces of concrete were falling off into the passageways. Anyone who went to look at that school would have agreed that it was long overdue for replacement. It is a fairly large school—the exact number of students escapes me for the moment but I think it is in the order of 1 200—and it is a good school. I make no apologies. The member for Alfred Cove has certainly made repeated speeches in this chamber about the need for a new school and the fact that a previous coalition government had said that it would provide one. The member for Churchlands has made repeated speeches about the lack of facilities at Churchlands. Governments are elected to make decisions and I think both of those projects were absolutely justified.

Mr E.S. RIPPER: I will follow-up and ask: what was the Premier’s personal involvement, and the involvement of his department, in the making of these two decisions?

Mr C.J. BARNETT: I am not sure that Department of the Premier and Cabinet was directly involved in those decisions. I, when asked by the education minister, simply said that I believed that Applecross Senior High School should be replaced; that it is clearly a school in very poor condition and facing structural failure and therefore I do not have any problems with replacing it. I have been public on that for years.

Mr E.S. RIPPER: So the Premier’s assertion is that the Minister for Education approached him and that he did not approach the minister.

Mr C.J. BARNETT: I did not assert that.

Mr E.S. RIPPER: Did the Premier approach the minister and suggest that these schools be funded?

Mr C.J. BARNETT: No; I do not know who approached who. It was discussed and clearly the member for Alfred Cove was promoting a rebuild of that school. Fine, that is what members of Parliament are meant to do. I discussed the matter with the education minister and the Treasurer and we made a decision to rebuild Applecross Senior High School—a damn good decision.

The CHAIRMAN: Member for West Swan.

Ms R. SAFFIOTI: I refer the Premier to “Major Policy Decisions” and specifically to the line item “Reduction in Ministerial Office Staffing” under “Election Commitments” on page 83 of the *Budget Statements*. My question is in a number of parts. Can the Premier explain how many staff this line item represents; that is, how many staff will be reduced from ministerial offices across the board? What is the current staff allocation to ministerial offices? What is the current staff allocation to the Premier’s office? And how many of the full-time equivalent staff members located in the Premier’s office and his ministerial offices are being paid by other agencies?

Mr C.J. BARNETT: I am happy to answer that question. Across all ministerial staff, including the Premier’s office, the number of full-time equivalent staff, not necessarily the number of people, is 158. We have a target of

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150 and I think that right now the number is in reality closer to 152. A few comings and goings affect those numbers. However, on a direct comparison with this government and the previous government—comparing apples with apples—there are currently 158 full-time equivalent staff members across all ministerial staff in the Liberal-National government. On a strict comparison, under the previous government there were 197. There has therefore been a reduction of 40 FTEs in ministerial and Premier staff.

[9.10 am]

Ms R. SAFFIOTI: There were a couple of parts to the question. The other part was: how many FTEs currently located in these offices are being paid by other agencies?

Mr C.J. BARNETT: Is the member talking about secondees?

Ms R. SAFFIOTI: There are placements and secondees; they are treated differently. How many of those are paid for by other agencies?

Mr C.J. BARNETT: Out of the 158, the answer is 36.

Ms R. SAFFIOTI: Are there any others currently located there? Is that in addition to the 158?

Mr C.J. BARNETT: Yes, an additional 36 staff are funded by other agencies.

Ms R. SAFFIOTI: I have a further question.

Mr C.J. BARNETT: I do stress the comparison between one government and another: there are 40 fewer staff members.

Ms R. SAFFIOTI: I have the figures, so I will make that comparison.

Mr C.J. BARNETT: No. The member asks the questions and I answer them. That is the way Parliament works.

Mr E.S. RIPPER: This could be a long day!

Ms R. SAFFIOTI: How many staff does the claim of \$4 million for the reduction in ministerial office staff in 2009-10 represent?

Mr C.J. BARNETT: I will read out the numbers; let us do it properly. I will compare the two governments.

Ms R. SAFFIOTI: I actually asked a question about line item “Reduction in Ministerial Office Staffing” on page 83 of the budget papers. I have referred to the line item.

Mr C.J. BARNETT: Yes, and I am answering that. The answer is that under the Labor government the Premier had 20 staff and under the Liberal-National government there are 17. Under the previous government the Deputy Premier had 15 staff and under the current government the Deputy Premier has 12. I will read out the staff numbers of the previous Labor government. In the Premier’s office, 20 ; Deputy Premier, 15; Hon Kim Chance, 12; Hon Ljiljanna Ravlich, 12; John Kobelke, 13.4; Jim McGinty, four; Michelle Roberts, 11.4; Hon Alannah MacTiernan, 16.4; Sheila McHale, 12; Mark McGowan, 14; Fran Logan, 12.5; Jon Ford, 12; Margaret Quirk, 9.8; David Templeman, 13.6; and Hon Sue Ellery, 11, giving a total of 196.9. Under the current government the staff numbers were: in the Premier’s office, 16.8; Deputy Premier, 12; Hon Norman Moore, 9.6; Brendon Grylls, 10.6; Elizabeth Constable, 9.4; Hon Simon O’Brien, nine; Troy Buswell, 10; Rob Johnson, eight; Terry Waldron, eight; John Day, eight; Peter Collier, nine; Christian Porter, nine; Hon Robyn McSweeney, eight; Graham Jacobs, seven; John Castrilli, 7.6; Terry Redman, eight; and Hon Donna Faragher, eight. There are therefore two more ministers and 40 fewer staff members.

Ms R. SAFFIOTI: Can I go back to the original question? On page 83 there is a line item “Reduction in Ministerial Office Staffing” and the figure \$4.1 million for 2009-10. Obviously that number was derived in some way. How many staff does that represent?

Mr C.J. BARNETT: Forty.

Mr M.J. COWPER: Further to that point, does the Premier have any similar breakdown in relation to media marketing, advertising and consultancy savings? One of the platforms on which this government came to power was to cut down the spin that was going on.

Mr C.J. BARNETT: Yes. Under the previous government media advisers totalled 21. Under the Liberal-National government they total 18; therefore, there are three fewer staff members.

Dr M.D. NAHAN: My question relates to budget paper No 2, volume 1, page 86. The second dot point refers to the Council of Australian Governments reform agenda. Can the Premier outline what he expects from COAG reforms in the next 12 months or so?

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Mr C.J. BARNETT: COAG has been very active in the past seven months. I think there have been four COAG meetings. There is another one related to Indigenous issues about to be held in Darwin, the so-called “Closing the Gap”. From my observations over the past eight months or so, the COAG arrangement is becoming increasingly important in Australian administration. Indeed many things are being dealt with at COAG before they are dealt with in either the national or state Parliaments. I do not know whether there is any one simple answer to the member for Riverton. COAG really has an agenda across every portfolio now. National partnerships are being agreed to. My observation is that it is working well. I think it is fair to say that the bureaucracies in the federal and the state areas, right down to each individual agency, are working in an extraordinarily cooperative way. That is perhaps unusual. COAG meetings do not tend to divide into the cliché of state versus commonwealth arguments any more, which is what went on in the past; basically they are about issues. I think we will probably have a future at many COAG meetings. Nevertheless, I found it to be a refreshingly effective forum and something I did not expect.

Dr M.D. NAHAN: Moving from a line item, there have been major changes to the grants system targeted at a general outcome; how is that working?

Mr C.J. BARNETT: I think that has a fair bit to go. I might ask the director general to make some comments on that. I think a lot of work is going on. I am particularly concerned, as I am sure the member for Riverton is, about the way in which goods and services tax formulas will be determined in the future. There is certainly a focus away from simply accounting inputs onto achieving results, and I think there is a lot of work to be done on that. Does the director general want to make some comments, as he is close to both sides of the fence?

Mr P. Conran: The objective of specific purpose payment reforms was to consolidate a range of SPPs from a couple of hundred down to five or six and to put less conditionality on those SPPs and to govern SPPs through a series of national partnership agreements. The theory of that has always been quite a good one. In strong economic times it is quite an easy mechanism to proceed with. In tighter times however it is a little more difficult. What we are finding is that there is some conditionality coming back into the national partnership agreements. There is probably not as much conditionality as previously existed, but there is still a bit of a creep back. The commonwealth is a creature of habit, in part, and it has a view that it should be able to put some conditions—strong conditions—on the funding that it provides. If we look at areas such as the new round of education funding, the commonwealth has quite clearly put additional conditions on that funding, which are in the nature of the former SPPs. That is probably understandable, given that the commonwealth is putting the whole sum of money in there. However, it is an issue that shows some real signs of improvement from a state perspective, but there is still a bit of a tendency for the commonwealth to put some conditions back into the regimes.

Mr E.S. RIPPER: I refer to the Premier’s earlier answers on ministerial staffing. Can the Premier explain why, when we go to the internal telephone directory of the Department of the Premier and Cabinet and add up the number of staff in ministerial offices, we get a total of 191.8, and not the total the Premier quoted to this Parliament?

Mr C.J. BARNETT: There are some part-time positions. Certainly within my office at least one person works part time.

Mr E.S. RIPPER: Which person is that?

Mr C.J. BARNETT: It is John Hammond, who I think works 20 hours a week. That is therefore part of the explanation. However, again in terms of term-of-government employment, there is a reduction of 40, and, as I said earlier, 36 placement staff are funded by other agencies—basically secretarial and administrative staff. I will, if I can before this session finishes, provide the member with a comparison of how many placement staff applied under the previous government. Indeed, if the member is interested, I can give him a table with a detailed list of the staff numbers under both governments. That will clearly show on an apples and apples basis a reduction of 40 FTE staff, as was committed to during the election campaign.

[9.20 am]

Mr E.S. RIPPER: Just as a follow-up question, when I count the number of people in the telephone directory in the Premier’s office, I get —

Mr M.J. COWPER: Name them.

Mr E.S. RIPPER: Name them? When I count the number of people in the telephone directory in the Premier’s office, I get 19. The Premier has said one is part-time —

Mr C.J. BARNETT: There are 17—that is, 16.8 full-time equivalent employees in my office.

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Mr E.S. RIPPER: There are 19 people, including the Premier's chauffeur, and if one of them is part-time, that makes 18.5 FTEs.

Mr C.J. BARNETT: I will give the Leader of the Opposition the information I have before me, which should satisfy his curiosity. There are 16.8 FTEs. I have already said at least one person works on a part-time basis and I have another staff member who has some health issues who is not there all the time and for whom replacement staff come in, which, I think, would bring the Leader of the Opposition to his figure of 19. I will table that information.

The CHAIRMAN: Premier, members cannot table any documents during estimates.

Mr C.J. BARNETT: I ask that one of the chamber assistants pass this information to the Leader of the Opposition.

Mr E.S. RIPPER: Does the Premier assert that his ministry is honouring the cap on staff in ministerial offices at 150 full-time equivalents?

Mr C.J. BARNETT: No, those figures show on that count that there are 158 and, I think in reality it is probably 152 or 153 at the moment across the whole administration. Therefore, we are slightly over —

Mr E.S. RIPPER: Plus the placements and secondees.

Mr C.J. BARNETT: Yes, but, of course, there were placements and secondees under the previous government —

Mr E.S. RIPPER: Yes, but the Premier included those in his count.

Mr C.J. BARNETT: No, that is not correct.

Mr E.S. RIPPER: When the Premier did his count of our officers, he included placements and secondees.

Mr C.J. BARNETT: I corrected that, and there are 36 people across the administration who are, basically, placements and secondees. Indeed, I have one in my office who is from the Department of State Development and who basically looks after the flow of paper and the administration of the state agreement act material, as every government should—I think it is a very healthy thing. However, the figures the Leader of the Opposition has in front of him are a strict comparison of one government with another, and the salient point is that there are now 40 fewer people than there were under the previous government. If we can, we will provide information on the number of placements during the time of the previous government, which will then complete, if we like, that picture. The director general can add something.

Mr P. Conran: In relation to the full-time equivalent numbers, our projections for the next budget year are for 152 FTEs. That is what we are projecting and that is what we have budgeted for, so we will have to manage those numbers of ministerial officers within that budget. Similarly, there are arrangements for the Leader of the Opposition's office, which has a budget that caters for 16 FTEs but I think runs with fewer people than that—I think it runs with about 12 at the moment. Therefore, as with all offices, the Leader of the Opposition's office has a budget allocation and manages its staff accordingly.

Mr E.S. RIPPER: I have a follow-up question to an earlier question I asked. I refer to the Premier's admitted involvement in the decisions to fund Churchlands Senior High School and Applecross Senior High School —

Mr C.J. BARNETT: No, Applecross I had discussions about, not Churchlands.

Mr E.S. RIPPER: I refer to the Premier's admitted involvement in funding Applecross Senior High School. Is the Premier's involvement in any way documented? Given the public interest in this issue and the way it relates to the foundation of his government, will the Premier give a commitment to table all documents related to the decisions to fund Churchlands Senior High School and Applecross Senior High School?

Mr C.J. BARNETT: I do not know what documents the Leader of the Opposition refers to. He can use the freedom of information process, if there is some document. My discussions were simply verbal and very limited. When discussing it with the education minister —

Mr E.S. RIPPER: It is difficult to table a whiteboard, I agree.

Mr C.J. BARNETT: There is no whiteboard. At some stage the education minister and I discussed Applecross Senior High School; I discussed it also with the Treasurer. Clearly, the member for Alfred Cove has been pushing for years for a new high school and I simply made the observation, it is my memory, that I visited that school around 1999-2000 and made a commitment in front of many people that this school would be rebuilt. We did not put a time or cost on it at that stage, so my personal commitment to Applecross Senior High School goes back over a decade.

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Mr E.S. RIPPER: Is the Premier saying that he will not provide to the Parliament documents related to the government's decision making on these two schools?

Mr C.J. BARNETT: The Leader of the Opposition would have to be clear about what, if any, documents he is referring to. I am not aware of any document that I have signed or memo relating to those decisions. Those decisions were taken by the education minister as part of the development process, and I back them 100 per cent. I did not discuss Churchlands—I think the member for Churchlands said that that school lacks facilities and the population continues to grow. I certainly agreed with that; I have been aware of that for a number of years and I was supportive of both those decisions. I think they are the right decisions.

Mr E.S. RIPPER: Government decisions are not made without a paper trail of some sort. It is an outrage if there is no paper trail; therefore, will the Premier agree to table, to provide to the Parliament and the public, all the documents that relate to these two decisions of the government?

Mr C.J. BARNETT: No. However, if the Leader of the Opposition believes there is some document, I am not aware of what document he might be referring to —

Mr E.S. RIPPER: Is the Premier saying that there is no document related to these decisions?

Mr C.J. BARNETT: Chairman, I am happy to answer questions, but I would like to be able to answer them fully and with my timing.

I am not aware of any documentation, for example, between me and the Minister for Education or the Treasurer on either of those two schools. In fact, I do not believe there is any such document. I simply verbally said I support the decisions.

Mr E.S. RIPPER: Is it possible for government decisions to be made to fund a new high school at Applecross and an upgrade at Churchlands without any documents at all?

Mr C.J. BARNETT: I am sure there were both discussions and documentation between the education department and Treasury in the preparation of the budget. There is no doubt about that.

Mr E.S. RIPPER: Will the Premier agree to table those documents?

Mr C.J. BARNETT: No, because I do not know what the Leader of the Opposition is talking about. I will not go on some fishing expedition. If the Leader of the Opposition wants to use a freedom of information request to access some information, he should use FOI. I do not know of any document from my department or my office relating to those two schools.

Mr E.S. RIPPER: How does the Premier's refusal to table these documents relate to his commitment to openness and honesty and accountability in government?

Mr C.J. BARNETT: I have just been honest and accountable and open. In brief discussions with the education minister and the Treasurer, I have said that I think both those projects are worthy school projects, and they are. That is it—simple as that. I have not been involved in meetings or discussions about those school projects. I have known about them for a long time; they are both well overdue and we are proud to be doing them.

Ms R. SAFFIOTI: My question relates to "Management of Policy" on page 89 of the *Budget Statements*, and refers to the discussion we have just had regarding the interaction between the state government and federal government. In relation to the Oakajee project and the Northbridge Link —

Mr C.J. BARNETT: Let us deal with one at a time because they are different.

Ms R. SAFFIOTI: Okay. Can the Premier let us know whether an estimated total cost was submitted to the federal government for the state and federal contributions to the Oakajee project? Has a feasibility study been undertaken; and, if so, has it been submitted to Treasury?

Mr C.J. BARNETT: The estimated total cost of the entire Oakajee project is somewhere in the range of \$3 billion to \$4 billion. The part that both the state and federal governments are involved in is, I think, \$339 million times two. Therefore, both the commonwealth and state governments have agreed to, basically, a \$680 million commitment, which is to build the breakwater, dredge the channel, and create the turning circles and some related bits and pieces. The estimate is a \$678 million commitment to be funded jointly by the state and the commonwealth. That is the best estimate available at this stage.

Detailed feasibility work is happening now. We signed a state development agreement with Oakajee Port and Rail at—I think it would have been—the end of March. A major part of that development agreement is that Oakajee Port and Rail now undertakes over, perhaps, a 10 to 12-month period the detailed engineering design, the financing, the acquisition of land, the environmental approvals and everything that is necessary for the entire

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project—that is, the port, the private infrastructure within the port, and the rail corridors and rail construction. Therefore, as part of that, Oakajee Port and Rail is obviously signing up mining companies, transport, and sales and shipping contracts. That is the feasibility work being undertaken. It is estimated that whole process may in itself cost close to \$100 million. That is being funded by Oakajee Port and Rail. There will, obviously, be some state involvement, but primarily the feasibility and the engineering and commercial parts of the project are being done by Oakajee Port and Rail as a partner in the project.

Ms R. SAFFIOTI: Further, has Treasury been informed of the estimated total cost?

Mr C.J. BARNETT: Yes, and Treasury, obviously, was directly involved in the submissions to Infrastructure Australia, as was the Department of State Development.

[9.30 am]

Ms R. SAFFIOTI: I have a further question in relation to the Northbridge Link. What is the estimated total cost of the project, including the sinking of the rail line and the underground bus station?

Mr C.J. BARNETT: The sinking of the bus station is, I think, \$205 million, and the sinking of the rail line is \$268 million, or something in that order. I will correct those figures if they are wrong, but I think they are pretty close. The announcement by the Prime Minister meets half of the combined costs of those projects. It is a complex project that will be carried out over three broad stages. The first stage will be the sinking of the rail line, which needs to be completed while maintaining both rail and bus services. The bus port will then be sunk, again while maintaining both rail and bus services. The third and final stage will be what is built on top, and there is obviously a fair bit of work to be done on that. The government is assisting with some significant changes to what will happen on the surface, particularly to create a large central park for the city of Perth.

Ms R. SAFFIOTI: Is the amount of \$268 million the net cost or the total cost for the sinking of the rail line?

Mr C.J. BARNETT: That is the total cost. There will be some recoupment from land sales of the property above, which is basically a 13-hectare site that is primarily state government owned. That will impact on the decision about the location and size of areas of public open space. The government will keep most of the features of the previous plan but we have made a policy decision, supported by the federal government, to create a large town square. What form that will take—whether it is grassed, paved or has sculptures or fountains—I will leave up to the experts. There will be a large town square, far larger than what was originally envisaged. I made it clear to the various groups involved in the project, including the City of Perth, that the state and commonwealth governments were not about to put nearly \$500 million into this project unless there was a lasting legacy for the people of Western Australia.

Ms R. SAFFIOTI: If the amount of \$268 million is the total cost, does the Premier expect the net cost to be a lot less?

Mr C.J. BARNETT: It depends on how much land is sold, and the time frame involved.

Ms R. SAFFIOTI: Has the business case driving those numbers been finalised? As I understand from Treasury estimates yesterday, the business case has not been finalised. Can the Premier confirm that?

Mr C.J. BARNETT: The government just pushes ahead; we do not have committees and reports for our business cases. The first work will start on that site in December. That is the best estimate. Will this be profitable? I do not think anyone who has built a park or a town square has made money out of it. This government is creating a major legacy for the future generations of this state, at substantial net cost to the taxpayer. We will not recover commercially the costs of sinking the railway line or the bus station. However, it will transform the city of Perth. A lot of the work that the previous government did on this project was admirable, but to try to make this a break-even or profitable project was not realistic. This is about legacies for future generations. I do not know at this stage how much will ultimately be recouped. That can be answered only once the final design for the layout of the 13 or 14 hectares on top is determined. There will be a large town square, and we will forgo potential sales revenue to achieve that for future generations. I cannot answer the member's question, but it will not affect in any way the decision to proceed with this project. We are funding the project jointly with the commonwealth government and preliminary site works will start in December. In the meantime, an initial—and, I agree, modest—\$5 million has been allocated to the planning portfolio for initial design. That will need to be increased as work gets underway. We are doing most of the work within existing agencies; we do not tend to employ an army of consultants. The design and tender process will be developed over coming months. We expect tenders to go out midway through next year and serious construction on the site to begin during the second half of 2010. It is a complex engineering project, and the joint effort is underway. The sinking of the rail line is being led by the transport agencies, but obviously the Department for Planning and

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Infrastructure is playing a key role, along with the City of Perth and other groups. At the moment, the prime task is with the planning agency and the Public Transport Authority.

Ms R. SAFFIOTI: The budget cut-off for these two projects was 16 April, and I know that discussions took place with the commonwealth government. The Premier made a number of public comments, particularly relating to the Oakajee project, that the state government would go ahead with the projects, regardless of whether the commonwealth government came along. The minimum exposure to the state budget was \$339 million and the maximum was around \$700 million. Can the Premier explain why there is no funding in the budget for them?

Mr C.J. BARNETT: The final investment decision on the Oakajee project is yet to be made. I am confident that it will be made, and that the decision will be to proceed. However, we are not yet at that stage with regard to public and private investment in this project. The detailed feasibility financial analysis has only just begun; it has been going for about a month. I am confident that it will prove to be positive. The building of a port or a railway relies to a large degree on the commitment of mine developments and contracts for transporting and exporting iron ore. They are all falling into place. The Karara project, which will begin construction just after Christmas, will use 50 per cent of the initial capacity of the Oakajee port. That is a huge financial and capacity step forward, but the government will not include funding for the \$339 million until it has made a decision to proceed with the project. In the quickest scenario, construction will not start in the coming financial year; it will probably get underway in the second half of 2010, so it will not appear in this year's budget.

Mr W.R. MARMION: I refer to the third dot point on page 85 of the *Budget Statements*, under "Significant Issues Impacting the Agency". It makes reference to the impact of the global financial crisis on the local job market, and mention is made of the Ravensthorpe-Hopetoun issue. I would like to know what the government is doing to assist the communities of Ravensthorpe and Hopetoun to adjust to the BHP nickel mine suspension.

Mr C.J. BARNETT: That was probably the largest and most concentrated job loss we have seen resulting from the financial crisis, particularly because it was in an area in which the mine had only just begun operation and there was a relatively small community. The state government allocated a global amount of \$5 million to assist the community and undertook to look at constructing a road from Hopetoun into the Fitzgerald River National Park, ultimately to be connected with Bremer Bay on the other side, to create tourism access. A number of small businesses in Ravensthorpe and Hopetoun are receiving professional service assistance, which is valued at about \$3 000. That is providing legal, accounting and planning advice. There are special hardship assistance packages of up to \$5 000 for eligible individuals, and approximately \$100 000 will be spent on that. Financial assistance has been provided to the Ravensthorpe Regional Chamber of Commerce to ensure that it can continue supporting local businesses and industry. The Small Business Development Corporation is providing various legal and financial services worth approximately \$28 000. The Shire of Ravensthorpe will receive \$1.365 million to reconstruct and seal the Jerdacuttup Road, which, I think, cuts across to Esperance, and will give direct access from the South Coast Highway to Hopetoun and create some immediate short-term employment. There will be reimbursement of approximately \$9 000 to the Hopetoun Telecentre for providing assistance to individuals. The Shire of Ravensthorpe has hired a consultant to determine the impact on the shire's financial position, bearing in mind that the shire bears responsibility for Ravensthorpe airport amongst other things.

All of those things are happening, and BHP Billiton has also done a great deal. In the first instance, I consider the redundancy payments for workers to have been generous; I certainly have not received any complaints. People walked away with 12 to 18 weeks' pay. Many of those workers have been reabsorbed elsewhere in BHP's operations, some with Rio Tinto and others elsewhere. A large proportion of workers have been reabsorbed elsewhere in the mining industry. BHP has purchased some houses back from workers and has provided compensation to businesses that were set up specifically to service the mine. The government has included in the budget \$20 million to construct the road from Hopetoun into the Fitzgerald River National Park. There is a dirt track or a gravel track. That will be sealed and extended. It is also proposed —

[9.40 am]

Mr E.S. RIPPER: Does the Premier think he will get environmental approval for that?

Mr C.J. BARNETT: Yes. Does the Leader of the Opposition not want it to be built? Is he opposing it?

Mr E.S. RIPPER: There are real, serious issues in building a road through an area of sensitive biodiversity with a dieback problem. I do not support it. Let me be clear: I do not support building that road, for environmental reasons.

Mr C.J. BARNETT: We just note that, members—the Labor Party does not support building a road into the Fitzgerald River National Park.

Mr E.S. RIPPER: I have already publicly announced that—for environmental reasons.

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Mr C.J. BARNETT: I do not care what the reason is.

Mr E.S. RIPPER: Good—put it on record! We made that decision and publicly announced it. If the Premier wants to underline it, good.

Mr M. McGOWAN: Has the Premier ever heard of dieback?

Mr C.J. BARNETT: Has the member ever had a look at it?

Mr M. McGOWAN: Yes, I have. I was environment minister.

Mr C.J. BARNETT: There is a road in there, which is a dirt road; so there is dirt and tracks all over the place. If members fly over it, they will see that there are bike tracks throughout that park. The road will be a sealed, properly managed road. We intend to create about a 60-kilometre walking and hiking path that will connect the two roads that come in. One road initially will come in from Hopetoun and then, hopefully, the other road will come in part of the way from Bremer Bay, where the fairly rugged hills come to the coastline. That road, for engineering costs, will need to go behind the hills. That would take away the ocean views, so it is intended to construct a walking and hiking path. It will be a great tourist attraction. It will be properly established and properly managed. I am hoping that the commonwealth government will contribute towards it. We will certainly build the first leg of that road in from Hopetoun and give people access to the national park. We will do that across the state. We want people to visit and enjoy our national parks. They are not areas of quarantine. I ask the director general to comment on discussions with the commonwealth on the road construction issue.

Mr P. Conran: We are very alive to the issues of dieback. When we first raised these matters with the Prime Minister—because he discussed the issue—we said that there are some sensitive environmental issues there that we will have to deal with. The proposal we have suggested to the commonwealth, as the Premier has said, is that there will be two roads coming in from either end with a connected walking track—quite a significant walking track. The advice from the Department of Environment and Conservation is that the sealing of the existing gravel roads will assist in the management of dieback. We are talking to the commonwealth regularly, through the Prime Minister's office with the Minister for Environment's office, and between our environment department and the federal environment department, as to how it would be satisfied that our processes are such that we deal with the dieback issue and do not therefore trigger the Environment Protection and Biodiversity Conservation Act arrangements. Those discussions occurred as recently as last week on a department-to-department level. I was discussing this issue yesterday with the Prime Minister's office as to how we might continue to progress that. I am satisfied we will get a reasonable outcome that deals with the issue of potential dieback consequences.

Dr M.D. NAHAN: Premier, there are rumours that BHP is considering scrapping the Ravensthorpe plant and that other interested parties are interested in resuscitating it. Can the Premier discuss that?

Mr C.J. BARNETT: When the closure of the Ravensthorpe nickel project was imminent, I spoke directly to Marius Kloppers, the head of BHP Billiton globally. He assured me the plant would go on to a care and maintenance operation. That is what has happened. There are probably still about 30 people or more working there at the moment. There is some discussion as to whether BHP itself will reopen the plant or indeed whether the operation will be sold to a new player. My instinct is that that plant will at some stage reopen. It is a state-of-the-art, high-volume producer. I notice that nickel prices, having fallen from \$50 000 a tonne to around \$10 000 a tonne at the low point, have recovered quite significantly. I am not sure what the current figure is. The prices are probably still not at a value that would enable that plant to reopen. I imagine that if nickel prices got back up to around \$25 000 a tonne, we would see that project reopened, if not by BHP, by another party, which possibly would do a better job of operating it. It is fair to say that the level of overall staffing that BHP had in that operation was higher than in comparable lateritic nickel projects. That was probably part of the problem. Maybe a smaller company might run a slightly leaner operation.

I will add to an earlier answer about staffing in ministerial offices. I have received some very rapid advice that under the Labor government there were an additional 30 placement staff in ministerial offices. On top of the 197 ministerial staff, there were a further 30 placement staff. As I said, on top of the 158 ministerial staff under this government, there are a further 36.6 placement staff. Going into the coming financial year, if that stays the same, there will then be 152 ministerial staff plus 36 placement staff.

Mr M.J. COWPER: I refer the Premier to page 92 of the *Budget Statements*. Under "Explanation of Significant Movements", reference is made to support for implementation of road safety strategy initiatives. It is stated that the early election and associated caretaker arrangements delayed the tendering for some road safety initiatives and developmental programs. Can the Premier elaborate on how that has impacted on the capacity to keep people safe on our roads?

Mr C.J. BARNETT: I think we are off the division here. That responsibility is shifting from Premier and Cabinet to the safety portfolio. The issue hopefully came up when the police minister was doing his estimates.

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That responsibility in the road safety role is not being run through the Premier's office. I know of the member's interest and experience in the area. This government intends to provide a lot of attention to road safety in order to reduce the tragic road toll. However, that will not be a function of the Department of the Premier and Cabinet. I can say generally also that there has been a habit in previous years for all sorts of functions to be added into the office of Premier and Cabinet. That is not the style that we will follow.

Mr E.S. RIPPER: My point of order is that the road safety service is examined in a different division.

Mr C.J. BARNETT: I am just explaining why.

The CHAIRMAN: That is correct, member for Belmont. We will move on to another question.

Mr E.S. RIPPER: I refer again to service 3, "Management of Policy".

Mr C.J. BARNETT: Which page?

Mr E.S. RIPPER: Page 89. What support has the department provided to the Premier in the budget process? Does the department and the Premier, pursuant to this function, support the axing of 450 education assistant jobs from government schools in Western Australia? Are these not the people who enable children with disabilities to attend mainstream schools? Should the department's and the Premier's responsibility to coordinate social policy between the education and disability portfolios have seen this particular initiative rejected? Did the department, pursuant to its coordination of social policy function, examine this issue; and, if not, why not?

Mr C.J. BARNETT: Given the Chairman's ruling on the previous point, this is something within the education portfolio, just as road safety is not in my portfolio. Obviously, the Department of the Premier and Cabinet works on policy issues, but I do not have an approach that brings every decision into the Premier and Cabinet office. That is an issue handled by the education minister and would have been a subject of yesterday's estimates.

Mr E.S. RIPPER: The Premier is a member of the government's budget committee. Presumably, he is supported by the department in that role. The department also has a role, according to the budget papers, to ensure an effective government-wide perspective in social policy, amongst other policy areas. Would the exercise of that function not require the Premier to consider the impact of this education decision on the disability portfolio? Does the Premier support this decision to take away these much-needed supports for the inclusion of children with disabilities in mainstream education, with a net loss of 450 education assistant jobs? Does the Premier stand by that decision of his minister?

[9.50 am]

Mr C.J. BARNETT: I find it somewhat ironic. As a former education minister, I actually introduced inclusion of children with a disability in our mainstream school system. I think if the Leader of the Opposition goes back and looks at the history —

Mr E.S. RIPPER: That is one reason why I am asking the Premier the question.

Mr C.J. BARNETT: If the Leader of the Opposition directs that inquiry to the education minister, she will provide further details. That is not something under the direct operation of Premier and Cabinet. I support the decisions made in the education portfolio. However, as the Chairman ruled on road safety, that is not a matter that comes under this portfolio.

The CHAIRMAN: I think the Premier will find that it comes under the third item, "Management of Policy".

Mr C.J. BARNETT: My answer then is that I support the Minister for Education.

Mr E.S. RIPPER: Did the Premier's department have any role in coordinating between the disability portfolio and the education portfolio on the implications of this decision; and, if not, why not? What is the purpose of having government-wide coordination of policy if such an obvious interrelationship between two portfolio areas is not the subject of advice to the Premier, as the leader of the government and as a member of the government's budget committee?

Mr C.J. BARNETT: The Leader of the Opposition will be aware that we split the Department of the Premier and Cabinet into the Public Sector Commission and Premier and Cabinet. Premier and Cabinet now has a different focus, which is on policy coordination. I am not aware of any specific discussions on that particular issue. I do not know whether the director general can throw any light on it. Obviously, Premier and Cabinet, in its policy role, now has a responsibility for overseeing and implementing the policy of an elected government and looking at coordination issues. On this specific matter, there were no discussions that I was directly involved in.

Mr E.S. RIPPER: This is somewhat extraordinary.

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Mr C.J. BARNETT: I do not think it is extraordinary.

Mr E.S. RIPPER: Is the Premier saying that this decision in the education portfolio did not go to the government's budget committee —

Mr C.J. BARNETT: I did not say that.

Mr E.S. RIPPER: — and that the government's budget committee did not examine the implications of it?

Mr C.J. BARNETT: No, I did not say that.

Mr E.S. RIPPER: The Premier said that he was not aware of any discussions.

Mr C.J. BARNETT: In Premier and Cabinet.

Mr E.S. RIPPER: The Premier is a member of the government's budget committee.

Mr C.J. BARNETT: All the cabinet decisions went through the expenditure review committee, the ERC. The budget is developed through the ERC, which is a subcommittee of cabinet and of which I am a member.

Mr E.S. RIPPER: The Premier is supported in that function by the Department of the Premier and Cabinet through its delivery of service 3, "Management of Policy".

Mr C.J. BARNETT: Yes. Premier and Cabinet and the director general sat in on many meetings, but the budget process is primarily driven by Treasury.

Mr E.S. RIPPER: Is the Premier saying that he had no knowledge of this decision; that this was a decision that was made in the education portfolio without his sanction?

Mr C.J. BARNETT: I have knowledge of all the cabinet decisions and all the ERC decisions that formed the budget, and I support them.

Mr E.S. RIPPER: Did the Premier ask his department for advice on this matter?

Mr C.J. BARNETT: No, I did not on that particular matter.

Mr E.S. RIPPER: Did the Premier's department provide him with any advice on this matter?

Mr C.J. BARNETT: Not directly to me, to my recollection, no. This is sort of phoney stuff, but if the director general wants to comment —

Mr P. Conran: I cannot go into discussions on the budget at cabinet level, as the Leader of the Opposition knows.

Mr E.S. RIPPER: Mr Conran could. I would certainly be happy if he would be prepared to do that.

Mr P. Conran: I will deal with the issue of how we handle people with disabilities in education. We have discussions with the relevant minister from time to time about how we deal with education reforms generally, how we look after kids with disabilities and what the best mechanism is for handling this issue, and that is what we will do in the future, so that we are not leaving kids with disabilities behind. We will have discussions with the education department to make sure these issues are addressed in the best way possible, because the objective of everyone is to enhance the education outcomes for disabled and non-disabled kids. We have to concentrate on disabled kids as a group. I know that the Minister for Education is very focused on improving educational outcomes across the board, and she is very focused on disadvantaged and disabled kids.

Mr C.J. BARNETT: The Leader of the Opposition will be aware that this government increased funding for the disability sector as a whole by \$85 million—a huge increase in funding. It was very, very well received by the various interest groups that make up the disability area.

Mr E.S. RIPPER: I asked questions about policy coordination because the Premier claims that, but, on the other hand, he has delivered a blow to the parents of disabled children right across the state by cutting the support for the inclusion of their children in mainstream education. It does not sit with the Premier's rhetoric on disability services. Therefore, there appears to be a flaw in the Premier's policy coordination process.

Mr C.J. BARNETT: That is an observation that the Leader of the Opposition may wish to make.

Mr M. McGOWAN: I refer to page 87 of the *Budget Statements*. At the bottom of the page is a heading "Support for the Premier as Head of Government". The table sets out the net cost of the service, the number of staff and so forth. Can the Premier detail to us the salary, benefits and, indeed, costs associated with the appointment of the new Director General of the Department of the Premier and Cabinet; and were any office modifications or improvements undertaken to accommodate the director general upon his taking office?

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Mr C.J. BARNETT: Obviously, in splitting the former Department of the Premier and Cabinet into what is still a Premier and Cabinet department and the Public Sector Commission, some relocation expenses were attached to that, but basically the number of staff stayed the same. I do not think there is any secrecy about the level of remuneration for CEOs within the department. However, I will ask the director general to comment on any costs associated with the changeover and the split.

Mr P. Conran: My salary is transparent. It is \$339 000 and something. It is a published figure. The cost of my removal from Canberra, I think, has already been published as well, but I am happy to ensure that the Leader of the Opposition gets more detail. I am happy for him to broadcast that wherever he likes. That is the case. Have any changes been made in the office? I can assure the Leader of the Opposition that not one change has been made in my office. I invite the Leader of the Opposition to come down there, because the level of service on the 15th floor is a disgrace. The carpets are filthy. The posters are 15 years old. It is a disgrace.

Mr E.S. RIPPER: We intend to be there in 2013.

Mr P. Conran: We do not have adequate conference room facilities. I have people crammed into pretty pokey offices, but I do not have any proposals to change that. I know that there have been various submissions from people in my office to change it. In fact, they have come to me recently about that, saying that we need to expand the conference room. I am reluctant to spend money. However, I invite the Leader of the Opposition to come down and have a look at the office to see what the conditions are really like. I have a nice view. I do not think that office has changed from the days when Marcelle Anderson was running the office.

Mr M. McGOWAN: I have further questions along that —

Mr C.J. BARNETT: Can I add that in setting up the Public Sector Commission, which is relevant to this, the additional costs were \$260 000 to set up the new office and to make some changes for Malcolm Wauchope to move across and take up his position.

Mr M. McGOWAN: Where is that?

Mr C.J. BARNETT: I am just giving the member that figure as additional information.

Mr M. McGOWAN: Yes. Sorry; whereabouts is it? I am just asking where it is.

Mr C.J. BARNETT: He is still in the same building. Obviously, it was just a relocation between floors and bringing other staff from different locations. There was \$260 000 in physical expenditure to accommodate the establishment of the Public Sector Commission, which I think is a fairly modest amount.

[Mrs L.M. Harvey took the chair.]

Mr M. McGOWAN: Further to my initial question, I asked whether the Premier could detail the salary, benefits and costs. Mr Conran indicated that his salary is somewhere north of \$339 000. I also asked were there any additional benefits, and Mr Conran indicated that the cost of his relocation is published somewhere. I would like that to be provided to us today, and any additional benefits.

Mr C.J. BARNETT: The director general has just said that there were no additional costs within Premier and Cabinet, and I have just said that the additional cost in establishing the Public Sector Commission, which was the other part, was \$260 000.

Mr M. McGOWAN: That is not what Mr Conran said. He said that there were costs associated with his move to Western Australia from Canberra. I am just asking —

Mr C.J. BARNETT: His move from Canberra—relocation costs?

Mr M. McGOWAN: Yes.

Mr C.J. BARNETT: Yes. If the member likes, I will provide that by way of supplementary information. It has already been made public.

Mr P. Conran: I have a car—a Ford Territory. It is, in fact, Mr Carpenter's old car, but I was asked would I take it because it had a period still running on the lease, so I agreed. Frankly, I do not like it because it is too big, but we will deal with that.

Mr C.J. BARNETT: We will get him a Lambretta.

The CHAIRMAN: Can the Premier tell us which supplementary information will be provided?

Mr C.J. BARNETT: I will provide supplementary information on the relocation costs of the new Director General of the Department of the Premier and Cabinet.

[*Supplementary Information No A34.*]

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[10.00 am]

Mr M. McGOWAN: Lastly on this point: can the Premier provide us with itemised cost details of any and all ministerial office fit-outs approved since the government has taken office?

Mr C.J. BARNETT: Ministerial fit-outs? Has the member got a specific one in mind? I am not aware of any.

Mr M. McGOWAN: Any and all. It is a general question, and I ask the Premier what fit-outs he has approved since he arrived in office.

Mr C.J. BARNETT: I recall the member spent \$600 000 on his office, so that is part of the political history of this state.

Mr M. McGOWAN: I did not have an office, and I had to have an office. Does the Premier think I should have worked in the street somewhere?

Mr C.J. BARNETT: I thought \$600 000 was a very large amount of money.

Mr M. McGOWAN: The Treasurer now occupies that office because he needed an office, like I needed an office.

Mr C.J. BARNETT: Member, calm down! The member was late and he needs to calm down; he was rushed this morning, obviously!

Mr M. McGOWAN: The Premier is getting snippy again!

Ms R. SAFFIOTI: Look at him; it takes an hour!

Mr M. McGOWAN: Only an hour, yes! It only takes an hour for the Premier to get into that state!

The CHAIRMAN: Is that a request for supplementary information?

Mr M. McGOWAN: Yes, I was asking for that as supplementary information.

Mr C.J. BARNETT: Is the member specifically asking for the costs of any fit-outs in ministerial offices since the change of government? There have been some. I know, for example, that the Minister for Child Protection's office, given the nature of her portfolio, failed to meet the recommended security standards, so there was a significant cost incurred in providing security for her and her staff. Obviously, people are aware of the situations that can occur in family circumstances. I am not aware of any other significant refit, but we will provide information of any refits or refurbishments that have taken place.

Mr M. McGOWAN: By way of supplementary information.

[*Supplementary Information No A35.*]

Ms R. SAFFIOTI: My question goes back to the management of policy and to the interaction with the federal government on Oakajee and the Northridge Link. I want to return to the subject of the integrity of the budget and the exclusion of these projects from the budget. Did any discussions take place between the Premier and the Treasurer about whether these items should have been included, even as a contingent liability, in the budget papers?

Mr C.J. BARNETT: Clearly, there was a lot of discussion during the preparation of our submissions to Infrastructure Australia to determine which were the priority projects and about providing information—to the level it was available—and cost estimates of those projects. We decided that we would include items in the budget, once we had made a decision to proceed with the project. Clearly, Oakajee is not yet at that point. We are proceeding now with the Northbridge project. The federal government's decision to grant the funding, which was most welcome, came after the finalisation of our state budget. However, in the coming year members will not see a particularly large outlay. This is basically the design stage, and construction will not start during the 2009-10 year; it will be in the second half of 2010. Once that final design work is done, the tenders are prepared and decisions to proceed are made and we commit, which will happen over the next 12 months. We will include those figures in the next budget. The member may see some figures in the *Government Mid-year Financial Projections Statement*.

Ms R. SAFFIOTI: I have a further question. The Premier said that no work will begin on the Northbridge Link in 2009-10.

Mr C.J. BARNETT: Major excavation work will not begin.

Ms R. SAFFIOTI: The Premier previously said that earthworks would begin by the end of this year.

Mr C.J. BARNETT: No, I said site works will begin, and there will be some preliminary site works beginning in December of this year. That will not be excavation of the tunnel or the cavity for the tunnel for the rail to be

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sunk; that will be basic cleaning up, preparation and perhaps cordoning off the area—fairly minor work. There will be some activity before Christmas on the site, in preparation for the major engineering project to start in the second half of next year.

Ms R. SAFFIOTI: I have a further question: is one of the reasons these figures were not included in the budget because they are very rough estimates, even though the Treasurer has made a point of stating, on a number of occasions, that the Treasury would not include estimates that it did not believe were valid or solid?

Mr C.J. BARNETT: No. The reason they were not included in the budget is that the government has yet to make a formal decision for tenders to be let and construction to begin. When it does, and when tenders are let, it will have accurate information. They are preliminary costings set on the best information available, and scrutinised by Treasury, the Department of the Premier and Cabinet and the commonwealth government. It is the best information available. We will not know the final cost of sinking the rail line until tenders go out and we get bids in.

Ms R. SAFFIOTI: The Premier said that the Northbridge Link costs were scrutinised by Treasury. Yesterday, during Treasurer's estimates, the Treasurer was not aware of, or was not able to supply, the total cost of the Northbridge Link, although he said he would provide it by way of supplementary information.

Mr C.J. BARNETT: That work is being undertaken now, yes. That is what is happening now.

Ms R. SAFFIOTI: The Premier just said the figures were scrutinised.

Mr C.J. BARNETT: Of course they were—on the available information. The commonwealth government scrutinised the costings, and the commonwealth is satisfied with the estimates provided. If the member is not listening, then there is no point in asking questions. At this stage the engineers do not have all the answers, and detailed work must be done to ascertain exactly how the existing track will be sunk. As I understand it, the gap between the tunnel from the southern metropolitan line, which obviously comes under, and the new line which will be sunk but will still be above it, will be in the order of 18 inches. The project involves some very, very complex engineering issues to ensure that the tunnels do not move, and there are water issues and the like. All of that work is being done, but the best estimates that we have on the work done to this stage are the ones I have quoted. They have been accepted by the commonwealth in its decision to provide joint funding. We will have obviously more refined figures as the more detailed engineering work, which is only just beginning, is done and tenders are let. That is the nature of major projects.

Mr E.S. RIPPER: I bet the state bears the risk of a blow-out.

Ms R. SAFFIOTI: I have a follow-up question.

Mr C.J. BARNETT: Does the opposition not like that project? We know one thing for sure: the Labor Party does not want to build a road into Fitzgerald River National Park, and I assume that it now does not want to sink the rail line, and it does not want a town square.

Ms R. SAFFIOTI: Is the Premier building a road?

Mr C.J. BARNETT: We are finding out today all the things that the Labor Party does not want to see happen in Western Australia. It is very educative.

Ms R. SAFFIOTI: I have a follow-up question about the costs and the additional funding that will be required to fund these two projects. Yesterday, the Treasurer said they will have an impact on the net-debt-to-revenue ratio, and also to the new net-financial-liabilities-to-revenue ratio that is being used. How easily will these two projects be accommodated within a very tight budget over the next eight to nine months?

Mr C.J. BARNETT: With some difficulty—no doubt about it. If we take Oakajee as an example; Oakajee will be debt financed. I remind members that Oakajee is financially different from the Northbridge tunnel in one key respect: some money will be raised for the Northbridge project from the subsequent sale of land; Oakajee is a commercial investment. The Oakajee project will construct a port that will export iron ore, and users of that port will pay both a capacity and a user charge to the state for the use of that port. It depends vitally on the volumes of iron ore initially going through that port. With the Karara project, we have already got, basically, a commitment for 50 per cent of the initial design capacity. I expect that by the time this port is constructed—construction will take two to three years—it will be operating almost at its design capacity from day one, all going well. The state will be deriving a substantial revenue stream from day one, and in that sense that project will probably be debt financed.

Ms R. SAFFIOTI: I have a follow-up question about the 50-50 matching requirement for the commonwealth funding. Is the agreement 50-50 on the estimated total costs put in; or 50-50 for the final costs?

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Mr C.J. BARNETT: The agreement with the commonwealth is the amount of money that it nominated under Infrastructure Australia's budget.

Mr E.S. RIPPER: So the state bears the risk of any project blow-out?

Mr C.J. BARNETT: Or the state derives the gain from any costs saving on construction.

Mr E.S. RIPPER: The Premier is dreaming!

Mr C.J. BARNETT: We might actually do it better than the former government! I know it could add a 100 per cent blow-out to any Labor project; we might actually do it on budget, or less than budget.

Ms R. SAFFIOTI: Yes, but the economy has collapsed; there is a big difference.

Mr M. MCGOWAN: The government has to deal with all the unemployed people now; we did not have unemployment.

The CHAIRMAN: There is a further question from the member for Riverton.

Dr M.D. NAHAN: Further to the member for West Swan's question: the Treasurer emphasised that over the term of the previous government there was a systemic blow-out of capital projects. If I remember correctly, he said the Muchea saleyards project went from \$11 million to \$55 million, and the Fiona Stanley Hospital went from \$400 million to \$1.8 billion.

Mr C.J. BARNETT: Not forgetting Arena—the grand-daddy of them all!

Dr M.D. NAHAN: It went on and on and on! What processes has the government put in place to try to address the systemic tendency for blow-outs for the two projects that the member for West Swan has been focusing on—Oakajee and the Northbridge tunnel?

[10.10 am]

Mr C.J. BARNETT: Treasury is now taking responsibility for managing, I guess, that contracting of major capital projects, which is long overdue. Historically, many different agencies have been handling agencies, not learning from each other and probably being taken for a bit of a ride, to be honest. It needs centralisation and tight management. It is true, and I agree, as the members opposite interjected, that there has been a slowdown and there is prospectively a slowdown in commercial construction activity in the next few years. That will probably help a project such as the Northbridge Link. We hope we can keep to the estimated cost. There is good reason for believing that is the case. If anything, we may well find that some of the bids are lower. Bids for school projects, for example, have come down quite quickly in the order of 20 to 30 per cent. There is quite a lot of commercial building activity in the city. As those major buildings reach completion, there will be fairly fierce competition for what work is around and that should assist with those projects.

Mr E.S. RIPPER: I refer to service 2, "Management of Matters of State", on page 88. Is it appropriate for public sector employees, apart from members of Parliament, to be guest speakers at political party fundraising events? Is it appropriate for someone who works in a ministerial office and who is bound by the code of ethics of the Department of the Premier and Cabinet to be the guest speaker at a political party fundraising event? Can the Premier confirm that those people, pursuant to this service, are bound by the department's code of ethics?

Mr C.J. BARNETT: People are bound by the code of ethics. What is the member referring to? Is that a question or an observation?

Mr E.S. RIPPER: It is a question. The Premier employs ministerial staff under this function. Is it appropriate for ministerial staff employed under this service to be guest speakers at political party fundraising events? Are they in breach of the department's code of ethics when they do that, if they do that?

Mr C.J. BARNETT: The Leader of the Opposition is talking hypotheticals here. I am very happy to answer real questions; I am not going to answer hypothetical ones.

Mr E.S. RIPPER: Perhaps I can follow up with a real question. Is it appropriate for the Premier's chief of staff, Deidre Willmott, to be a guest speaker at a 500 Club breakfast program? Is it in accordance with the code of ethics for her to be advertised in the following way —

As you are aware, it is not always possible to be in touch with the Premier when you have an issue that needs addressing; by making direct contact with Deidre, she is willing to listen and speak with you, and then take your issues to the Premier ...

I am quoting from a 500 Club email. This is not a hypothetical question. This is the Premier's chief of staff, the cabinet secretary, being touted as the Premier's chief of staff and the cabinet secretary, as a guest speaker at a Liberal Party 500 Club fundraising program.

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Mr C.J. BARNETT: I will look at the code. I do not think it is inappropriate at all for the chief of staff of a Premier to brief a business group on the operations of government and of some of the major projects. I have absolute confidence in Deidre to do that. I am aware of the email the member referred to. To the best of my knowledge, it was distributed by the 500 Club. I do not think that is appropriate and it was not approved.

Mr M. McGOWAN: It happened.

Mr C.J. BARNETT: Yes, it happened.

Mr M. McGOWAN: It was a fundraising event.

Mr C.J. BARNETT: Yes, it happened, and I do not think that was the most appropriate choice of wording. I do not have an objection to the chief of staff providing a briefing in that sense. She is an extraordinarily competent person and plays a significant role in this government.

Mr E.S. RIPPER: Is it appropriate for the Premier's chief of staff and cabinet secretary to be advertised to potential political donors as currently working on the review of the approval system as well as major projects, including Oakajee, Ord stage 2 and Browse gas, and coordinating approvals for the key developments? She is being held up as having the key to the Premier's approval system, to his cabinet agenda and to the Premier's decisions. She is being advertised as a guest speaker for a fundraiser for the Premier's political party. Is the Premier saying that is appropriate and in accordance with his code of ethics?

Mr C.J. BARNETT: No. The Leader of the Opposition asked the question. I answered. Those words were not the best choice of wording, I agree, and I do not defend that. However, I do defend and support my chief of staff speaking about projects and, yes, she is very closely involved in those projects and works very closely with me on them. That is a fact.

Mr E.S. RIPPER: Will the Premier instruct his cabinet secretary and chief of staff to withdraw from this event, which is scheduled for 23 June?

Mr C.J. BARNETT: No, I will not. I find this extraordinary. Deidre —

Mr M. McGOWAN: Come on!

Mr C.J. BARNETT: Deidre Willmott is a person of the highest ethical standard.

Mr M. McGOWAN: This is inappropriate. She should not do it.

Mr C.J. BARNETT: That is the member for Rockingham's opinion. I think she is a person of great ability, has the highest ethical standards and is extremely competent and able to brief, very objectively, on the way in which major projects are being progressed and on commonwealth-state relations. As indeed does the Director General of the Department of the Premier and Cabinet, she has great knowledge and experience of the way intergovernmental relations are evolving.

Mr M. McGOWAN: It is fundraising for the Liberal Party.

Mr C.J. BARNETT: It is a 500 Club event. It is a breakfast with businesspeople.

Mr M. McGOWAN: They can address a forum, but, my God, as a public servant, she is being advertised for fundraising for the Liberal Party.

Mr C.J. BARNETT: That was an email sent around by, I assume, the 500 Club, not by my office with my approval or, I imagine, Deidre's approval.

Mr E.S. RIPPER: Is the Premier establishing as a new standard for his government that the chief of staff of, say, the Minister for Mines and Petroleum could be advertised by the 500 Club as the speaker at a fundraiser? Is he setting as a new standard for his government that the chief of staff of the Minister for Environment might be advertised by the 500 Club as a guest speaker at a Liberal Party fundraising function? Is that the standard the Premier will now apply to his government? If his answer is no, why will he not require Deidre Willmott to not attend these two events in June and November?

Mr C.J. BARNETT: It is because I believe that she provides useful information and, indeed, should the business round table, if it still exists, wish me to come and address it, I will happily do so.

Mr M. McGOWAN: It is not about you. That is being a smart Alec.

Mr C.J. BARNETT: I am very happy to brief the business round table on some of the projects going on in the state. If members opposite want to extend an invitation, I will come along. Deidre Willmott occupies a very senior position as chief of staff to the Premier and as cabinet secretary. It happens very rarely but I have confidence in her to speak publicly about what is happening in government. I trust my senior personnel.

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Mr E.S. RIPPER: It is unclear to me whether the Premier agreed that his standard will allow the chief of staff of the Minister for Mines and Petroleum and of the Minister for Environment to similarly be touted as guest speakers for a Liberal Party fundraiser.

Mr C.J. BARNETT: I do not anticipate that happening.

Mr E.S. RIPPER: Would his standard allow that to happen or not allow it to happen?

Mr C.J. BARNETT: I will look at the code of conduct and see whether it has been compromised in any way.

Mr M. McGOWAN: How about the director general; would the Premier be happy for him to address a party fundraiser?

Mr C.J. BARNETT: The member should ask real questions. I do not think the director general has given a public address. It is not unusual for directors general or other heads of departments to make public speeches. Generally, they stay away from political events. I agree with that. Can members opposite say that, for example, a former chief of staff in the Labor Party did not attend functions?

Mr E.S. RIPPER: It is different from being the guest speaker and advertised in terms that say to business that this is the key to the approvals process.

Mr C.J. BARNETT: From my understanding, the email was correspondence sent out by the 500 Club. I do not control the 500 Club. It is what that club chose to send out.

Mr E.S. RIPPER: Given the 500 Club sent out this—in the Premier's own words—inappropriate email, would it not be best, for the preservation of the reputation of the Premier's government, to instruct Deidre Willmott to withdraw from these two events?

[10.20 am]

Mr C.J. BARNETT: No, because I have absolute confidence in Deidre Willmott conducting herself with the highest level of propriety.

Mr M. McGOWAN: It is not about that.

Mr C.J. BARNETT: I have confidence in people. I am confident that they do not rot the system, as may have happened in previous times. Deidre Willmott will not be found taking advantage of her position as a chief of staff. That will not be found!

Mr M. McGOWAN: I did not say that.

Mr E.S. RIPPER: No, but we may find the 500 Club and the Liberal Party taking advantage of her position.

Mr M. McGOWAN: That is exactly what they are doing.

Mr C.J. BARNETT: Do not go there!

Mr M. McGOWAN: It is disgraceful.

Mr C.J. BARNETT: I advise the member for Rockingham to not go there.

Mr M. McGOWAN: It is an absolute disgrace.

The CHAIRMAN: Members will please phrase their comments as questions or further questions.

Ms R. SAFFIOTI: I refer to "Management Policy" on page 89 and the budget process. A significant saving in the Department for Commerce, the abolition of the Aboriginal economic development unit, was discussed yesterday during the Treasury estimates process. Was the Premier consulted about and did he approve of the abolition of this unit? Is this abolition consistent with his listed economic priority for jobs and economic development for Indigenous people?

Mr C.J. BARNETT: Yes, I was aware of that decision and I support that decision.

Ms R. SAFFIOTI: Who will now be responsible for the functions that were undertaken by the Aboriginal economic development unit?

Mr C.J. BARNETT: The Department of Indigenous Affairs.

Ms R. SAFFIOTI: But there has been no transfer of funding or staff to the Department of Indigenous Affairs.

Mr C.J. BARNETT: New governments make decisions about how they will operate in the various portfolios. Accordingly, that role, if it continues or to the extent that it continues, will become part of the operations of the Department of Indigenous Affairs. That decision was taken. It is a decision that I was fully aware of and endorsed. The director general has some comments to add.

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Mr P. Conran: The issue of the Aboriginal economic development unit did arise and some concerns were expressed about it. I have had extensive discussions with the Director General of the Department of Indigenous Affairs about how we promote Aboriginal economic development.

Mr E.S. RIPPER: Not a good start, to abolish the specialist unit with a track record!

Mr P. Conran: We are also trying, with the Department of Indigenous Affairs, to lift the department's profile in the state. We have a great director general and we are trying to support him in his efforts to turn around the Department of Indigenous Affairs so that people will come to the department as a force for economic development. Economic development was very much the focus of the Browse LNG project, as was encouraging the Aboriginal community to do that. As of yesterday, I know that Patrick Walker wrote to me and to other director generals suggesting that we bring together all the Browse-related economic development projects that may advantage Aboriginal people. He is coordinating that activity amongst the director generals so that we can really focus on Aboriginal economic development. It is about time that economic development is the primary focus of all our dealings with the Aboriginal community: they have to have opportunities to get jobs. I think everyone from both sides of politics agrees on the approach and what we are trying to do. We are trying to give DIA a real chance to lift its profile and to advantage Aboriginal people. That is why we want it to pursue Aboriginal economic development.

Ms R. SAFFIOTI: Is DIA being provided additional resources or staff?

Mr P. Conran: DIA will get all the resources it needs to do it. However, what is needed is a director general who will bring all the agencies together. We do not want to put more people into agencies to kick-start economic development: it is not a question of people; it is a question of coordination. I am more than satisfied that Patrick Walker can do that and I am satisfied that he will build an agency that is more than capable of doing that. I will shortly be talking to the person at the Department of State Development who ran the economic development area. We will be discussing coordination with him and how he works best with Patrick. I do not think it is a question of throwing more resources at agencies; it is a question of bringing them together.

Ms R. SAFFIOTI: We are not talking about additional resources but about cutting existing resources by more than \$4 million each year. Was General Sanderson consulted about this decision to abolish the Aboriginal economic development unit?

Mr C.J. BARNETT: Kim Hames is the responsible minister and I am sure that he would have discussed this decision with General Sanderson. They have a lot of confidence in each other. I cannot say specifically that that happened, but I imagine that Kim Hames would have spoken to General Sanderson about that matter.

Mr M. McGOWAN: Was the Premier consulted about the membership disbandment of the Aboriginal Cultural Material Committee and the appointment of Mr Haydn Lowe as chair of that committee?

Mr C.J. BARNETT: That committee was basically dysfunctional when we came to government. To my recollection, it did not have a quorum of members and appointments had not been made. Kim Hames, as the incoming minister, made the necessary appointments and the committee is now up and running. Those appointments were part of a cabinet process—as they should be.

Mr M. McGOWAN: Was Mr Lowe recommended by the agency or by some other process?

Mr C.J. BARNETT: I am not aware of that; the member would need to address the question to the Minister for Indigenous Affairs. However, the decision went through normal cabinet processes. I think Mr Lowe is a very competent person.

Mr M. McGOWAN: Therefore the Premier was consulted about the process?

Mr E.S. RIPPER: The person who previously wrote policies for the Liberal Party!

Mr C.J. BARNETT: Meaning?

Mr E.S. RIPPER: Meaning he did it when he was a senior public servant working for another government.

The CHAIRMAN: Members need to phrase their comments as questions or further questions.

Mr C.J. BARNETT: Just very ordinary—very, very ordinary.

Mr E.S. RIPPER: I refer to service 2, “Management of Matters of State”, on page 88 and the third dot point, which reads —

support for ministerial offices and the leaders of the opposition parties;

First, will the Premier now confirm that contrary to his media statements, the budget of the Office of the Leader of the Opposition is the same budget as allocated to the previous Liberal opposition in the 2008-09 budget and

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does not include moneys previously allocated to the National Party in opposition? Second, why has the Premier subjected this budget to this substantial additional cost of meeting inherited leave liability for public sector employees choosing to work for the opposition? Third, having effectively cut the budget in this way, why is the Premier threatening accountability by proposing to further cut the budget of the opposition? And fourth, is the Premier aware of a written agreement between the previous opposition and the previous government to fund the office of the principal party in opposition at the same level of a single ministerial office, and will the Premier honour that agreement?

Mr C.J. BARNETT: A very interesting topic! I well remember that after the 2001 election the then Premier, Hon Dr Geoff Gallop, was at pains to point out in this chamber how the Liberal and National Parties had been in coalition in government. Despite the fact that now in opposition they were not in coalition and were separate parties, he sat in this chair and lectured us at length about how 11 staff would be allocated to the Liberal Party in opposition and five to the National Party in opposition. He argued with great, great gusto and passion that that was the right thing. And he convinced me! He won the argument. He created this clear, clear situation in my mind that the resources of, let us be clear, non-government parties would be split, and if a second party in opposition had five members, it would get five out of the notionally 16 staff members. That was his argument and, indeed, the now Leader of the Opposition, as Deputy Premier at the time, supported that argument. He supported it strongly. I lost the argument and the resources were split. Now the Labor Party is in opposition and the Greens (WA) suddenly have five members of Parliament. The Leader of the Greens, Hon Giz Watson, has approached me to ask whether precedent will be followed. Will the same rules apply? Will five staff members be taken now from the opposition and given to the Greens as it now has five members of Parliament, in similar vein to five staff members being given to the National Party in 2001? That is a request from the Greens, who have written to me formally. I met with Hon Giz Watson yesterday and she presented her case. What am I to do? Should I follow Hon Dr Geoff Gallop, the former Premier, and his lead on this and the precedent that he so eloquently argued in this chamber? No, I will not necessarily do that. I am a fairer person than that. I have therefore asked the Director General of the Department of the Premier and Cabinet to look at the precedence and legality of the situation. It is my understanding that the director general has sought the advice of the State Solicitor's Office on the status of parties within the Parliament. I am awaiting that advice, and when I get that advice I will act upon it accordingly.

[10.30 am]

Mr E.S. RIPPER: I have a supplementary question. Is the Premier aware, contrary to his assertions and his answer, which is in fact beside the point —

Mr C.J. BARNETT: But very pertinent to the point, though; is it not?

Mr E.S. RIPPER: —that the current opposition is in fact already funded according to the principle that the Premier just outlined?

Mr C.J. BARNETT: Is it?

Mr E.S. RIPPER: Is the Premier aware that the current opposition receives only the equivalent of the Liberal opposition's budget? It does not receive the equivalent of the funding that the Nationals received in opposition.

Mr C.J. BARNETT: I am sorry, the Leader of the Opposition is incorrect. The original allocation was basically done in terms of staff members—I think 16 or 17 staff members. The opposition has chosen, as I understand it, to vary the classification of staff so that it has given away a couple of positions in order to have some people paid at a higher level. The opposition also raised the issue of accrued leave that had not been taken. Very generously, this government on the advice of the director general —

Mr E.S. RIPPER: He is a wonderful man!

Mr C.J. BARNETT: —has agreed to meet the very substantial potential cost to the opposition's budget of leave not taken. We have therefore taken that load off the opposition. We would have been perfectly entitled to leave that with the opposition; it is a very large amount of money. However, I will ask the director general to comment on that, and indeed on the staffing and funding levels.

Mr P. Conran: In relation to the leave issue, I am not sure whether the Leader of the Opposition is aware, but I discussed that matter with his chief of staff recently. I think last week sometime the chief of staff raised the issue of leave and I said we would take it, but I said that he had a massive amount of leave unacquitted and that I thought it was sensible that he take some leave at an appropriate time. I am very concerned about the amount of accrued leave that the department has. In fact, I take a very strong view that people should take at least two weeks' leave a year; I think otherwise it is an occupational, health and safety issue. I, in fact, pointed that out to the chief of staff that it was time he took a bit of short leave at an appropriate time, but I said that we would look after the leave burden in the Leader of the Opposition's office, which is about \$150 000. That is my

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understanding. We accept that it is a burden that the Leader of the Opposition should not have to bear, but I would encourage some of his staff to take an occasional bit of leave, and I think we would all be better.

Mr E.S. RIPPER: To take the pressure off the government!

Mr C.J. BARNETT: I add one further point. The status and allocation of staffing levels seem to swing on the issue of whether minor party status is five members within the Parliament or five members within the Assembly. That is one of the issues that the State Solicitor is currently looking at.

Mr E.S. RIPPER: I think the point that the Premier is refusing to acknowledge—and I seek his comment on this—is that already the opposition does not have the full budget that was available to all parties in opposition in the previous Parliament; that is question one. Question two is: given that there was a written agreement between the political parties in the last term of Parliament about funding for the opposition in this term of Parliament, does the Premier intend to honour that written agreement, which was signed by the Treasurer, or does the Premier intend not to honour that agreement?

Mr C.J. BARNETT: On the first question, the budget for the Leader of the Opposition's office in 2008-09 totalled \$1.423 million. The budget for 2009-10 is \$1.436 million; therefore, that shows an increase. The budget that the Leader of the Opposition is receiving now is greater.

Mr E.S. RIPPER: Premier, that is beside the point.

Mr C.J. BARNETT: It is pertinent to the point; it is accurate.

Mr E.S. RIPPER: Yes, but, with respect, the argument that the Premier is making is that somehow or other we have got the full budget of the Liberal and National Parties in opposition and, therefore, it is appropriate to take away some of that if another party gets party status; whereas is it not the truth that we have only the Liberal Party proportion of the total that was allocated?

Mr C.J. BARNETT: No, it is not.

Mr E.S. RIPPER: So, what was the National Party allocated in the previous Parliament, and where is that factored into the calculations?

Mr C.J. BARNETT: The Leader of the Opposition is wrong.

Mr E.S. RIPPER: The Premier is asserting that I am wrong but he is not providing any evidence for that assertion.

Mr C.J. BARNETT: The Leader of the Opposition is wrong. When I receive the advice from the State Solicitor, I will not make the advice public but I will relay the nature of that advice, and I can be no fairer than that. That is quite proper.

Mr E.S. RIPPER: Does the Premier repudiate this written agreement between the Liberal Party and the Labor Party —

Mr C.J. BARNETT: The Liberal Party and the Labor Party?

Mr E.S. RIPPER: —the Liberal Party and the Labor Party in the last term of Parliament with regard to the funding of the opposition in this term of Parliament? This was an agreement that was reached when no-one knew what the result of the election would be. It was a written agreement between Jim McGinty and the Premier's Treasurer speaking on behalf of the Premier's party. Does the Premier repudiate that agreement?

Mr C.J. BARNETT: I have not seen that agreement, and I will act as Premier according to the law.

Mr M. McGOWAN: The Premier received advice a moment ago that indicated the Leader of the Opposition's office was funded to the tune, I think, of \$1.1 million; is that correct?

Mr C.J. BARNETT: No; for 2009-10 it is \$1.436 million.

Mr E.S. RIPPER: So, the Premier will not stand by this agreement.

Mr C.J. BARNETT: I have never seen that agreement.

Mr E.S. RIPPER: The Premier had better ask his Treasurer about it.

Mr C.J. BARNETT: No, sorry.

Mr E.S. RIPPER: I take seriously a written agreement —

Mr C.J. BARNETT: Do you?

Mr E.S. RIPPER: — between representatives of political parties—a minister in our government and a senior shadow minister in the Liberal Party. There is a written agreement and the Premier will not stand by it.

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Mr C.J. BARNETT: I do not even know what the agreement is. What I will do is act —

Mr E.S. RIPPER: Let me quote it to the Premier.

Mr C.J. BARNETT: No. What I will do —

Mr E.S. RIPPER: It reads, in part —

The official opposition, ie the non-government party with the largest number of members in the Legislative Assembly, has historically and should continue to be, entitled to the equivalent staffing of a ministerial office;

Mr C.J. BARNETT: That has been the practice.

Mr E.S. RIPPER: The Treasurer, Troy Buswell, signed off on that agreement. Is the Premier saying he will not honour it?

Mr C.J. BARNETT: As Treasurer?

Mr E.S. RIPPER: He signed off on it as a senior shadow minister in the previous opposition.

Mr M. McGOWAN: He was the leader; was he not?

Mr C.J. BARNETT: Sorry, I will act according to the law and the advice of the State Solicitor's Office.

Dr M.D. NAHAN: I refer to page 83, "Major Policy Decisions". There are two areas of election commitments stated there; one "Albany Anzac Peace Park Contribution" and the other is "Freedom of Information Audit". Can the Premier describe the purpose and intent of those two items?

Mr C.J. BARNETT: I think around \$600 000 was committed during the election campaign to the peace park project. Of course, Albany was the point where the Anzac fleet departed prior to the landing at Gallipoli. That work, I believe, is underway and there is some thought that it may be completed later this year. However, I understand the intention is that it will be completed for the coming Anzac Day celebrations. What was the other aspect?

Dr M.D. NAHAN: The freedom of information audit.

Mr C.J. BARNETT: I will get the director general to comment on the FOI audit. However, I repeat—and say it in this chamber—that FOI is there for a very good reason: it is to allow members of the public and individuals to access information about matters affecting them. Obviously, it is available to the media and to members of Parliament. What Labor Party members are doing in the abuse of FOI laws is a shameful disgrace. They are asking on a routine basis for details of every appointment and every meeting of ministers. They do no research. They are lazy acts by members of Parliament and I suggest that they are costing millions of dollars in wasted public service time on what can be described only as fishing expeditions. It would be with reluctance that I would restrict in any way the FOI laws. However, it is just shameful that members of Parliament—particularly some upper house members of Parliament—continue to abuse the FOI laws, which is crass abuse, because of political fishing expeditions, costing millions of dollars resulting in delays to answering genuine inquiries from the public on FOI. There has been a bit of public debate in the past week about travel by members of Parliament, but there also ought to be a bit of public debate about members of Parliament abusing accountability provisions. I think it is a disgrace and I will ask the director general to comment on the audit of FOI.

[10.40 am]

Mr P. Conran: There is \$200 000 set aside in the current financial year for the audit of FOI. I do not think we will be in a position to expend all those funds, but we want to carry out our review. The government recently appointed an FOI commissioner, Mr Sven Bluemmel, who was sworn in on 12 May. We want him to settle into that position and then we will have a discussion about what might be the best way to approach that review. Therefore, I anticipate we will conduct that review in the next financial year.

Mr E.S. RIPPER: Does the Premier not agree that there is a pattern of resistance to accountability emerging in his government? I cite as examples the Premier's threats to restrict the use of freedom of information legislation, to refuse to provide other than written answers to grievances in Parliament and to cut the budget of the opposition—a major accountability organisation—and his refusal this morning to table documents related to dubious decisions to fund Applecross Senior High School and Churchlands Senior High School. Is there not an emerging pattern in the Premier's government of resistance to its accountability obligations?

Mr M.J. COWPER: Point of order. I am interested to know which line item the Leader of the Opposition is referring to.

Mr E.S. RIPPER: It is a follow-up question to a question asked previously about freedom of information.

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Mr C.J. BARNETT: There are all these assertions and threats that I refuse to table documents, yet the Leader of the Opposition could not even establish whether there are documents. I do not believe there are documents. An example —

Mr E.S. RIPPER: Would it not be extraordinary if a government made a decision without documents? Would that not in itself be a major story?

Mr C.J. BARNETT: With respect, the Leader of the Opposition needs to ask questions of substance. He cannot make an assertion and then build his question from his own assertion—that lacks logic. The Leader of the Opposition would not get too far as a lawyer in court —

Mr E.S. RIPPER: Is the Premier saying there are no documents related to those decisions?

Mr C.J. BARNETT: I am not saying that; the Leader of the Opposition can ask questions and I will answer them. The Leader of the Opposition will not get away with putting words into my mouth, so he might as well stop that little game because he will never succeed at it. If the Leader of the Opposition wants to ask a direct question, I will to the best of my ability give him a direct answer. I have not been threatening to cut the resources of the opposition. I simply made the observation that the Greens (WA) have put in a claim that it qualifies for party status. I am seeking legal advice about whether it does and I have asked the director general to look at precedents of previous governments, in particular at what Premier Gallop applied in 2001. Why would we not do that? I will act professionally on the advice that I receive.

Mr E.S. RIPPER: And the Premier will repudiate what Troy Buswell agreed to.

Mr M.J. COWPER: Did the Leader of the Opposition sign off as Treasurer?

Mr E.S. RIPPER: It was signed off by our government—our responsible minister.

Mr M.J. COWPER: Did the Leader of the Opposition sign off as Treasurer?

Mr E.S. RIPPER: It was signed off by the Minister for Electoral Affairs with cabinet approval.

The CHAIRMAN: I request members to phrase their comments as questions or further questions.

Dr M.D. NAHAN: I refer to the issues of the explosion in demand for freedom of information requests from the opposition and the desire to limit budget expenditure in most areas. How will the government deal with the increase in FOI demands and will that undermine members of the public's use of FOI?

Mr C.J. BARNETT: I think the member makes a fair observation and I have some very brief statistics before me. For 2007-08, for the full 12 months of that year, the number of FOI requests coming through to the then Labor government from opposition members totalled 94; to the Premier they totalled 59. In the first seven months of this government, there have been —

Mr E.S. RIPPER: That was a lazy opposition.

Mr C.J. BARNETT: In the first seven months of this government, there have been 200 FOI applications—basically, we are operating at a 300 per cent increase—and 62 applications have been made to the Department of the Premier and Cabinet. The opposition should be active; however, oppositions also have a public responsibility to actually do some work and to know what they seek in their applications for information. To put in lazy applications, such as “tell me all the appointments over the past six months, everyone you met, everyone you wrote to, and give me a copy of every letter you have ever signed”, is a sign not of a hardworking opposition but of a lazy opposition.

Mr W.R. MARMION: I refer to the second dot point on page 88 of the *Budget Statements* under the heading “Management of Matters of State”, which refers to the administration of entitlements for members and former members of Parliament. My question relates to the imprest account, and I wonder whether the Premier had any plans to tighten the current arrangements.

Mr C.J. BARNETT: I thank the member for that question. There has been quite a lot of commentary about travel by members of Parliament. It is an issue that I have had my own view on for several years and, indeed, I have spoken in this chamber on a number of occasions about what I consider to be a lack of a formal process and a lack of rigour in the way in which travel is conducted by members of Parliament. I repeat that it is important that members of Parliament travel, both within the state, obviously, and nationally and internationally; it is part of the role of a member of Parliament. However, the responsibility lies with the member of Parliament to ensure that any trip is a worthy trip and that he or she works hard on that trip and also reports fully to the Parliament and, indeed, to his or her constituents. That has been lacking and, in fact, there are no really clear rules for the operation of the imprest system. That is not good enough and it is something I intend to correct. It was something I was going to deal with but I guess the issue blew up before I had done that—it was not a priority for

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the first six months. There has been discussion on this issue, particularly about the trip of Shelley Archer. Her trip was within the criteria, such as they are, and therefore was approved.

Mr E.S. RIPPER: Did the Premier ask her about the trip? Did he seek any further information or did he just sign off?

Mr C.J. BARNETT: I will not comment on individual applications. I will say not as Premier but as Liberal leader that I have suggested to Liberal members of Parliament—I do not presume to speak to Labor members of Parliament—at party room meetings that if they are considering travel, particularly international travel, they would be wise to seek the advice of someone with experience. I have suggested someone in my office who can give them some advice on what is an appropriate trip, the content of the trip, how to go about arranging it, how to make appointments, how to make it a worthy exercise and how to achieve their objectives. A number of members have taken advantage of that. I would hope the same sort of leadership, if I can say so, would be applied by the member as Leader of the Labor Party and indeed by the Greens and other parties. However, ultimately the responsibility lies with the member of Parliament.

I have indicated and said publicly that it is a matter that is best administered through the Parliament. It is a parliamentary issue for individual members; it is not a party political issue. I do not think it is my role as Premier and particularly as Leader of the Liberal Party to make decisions about, say, Labor members travelling overseas. However, as Liberal leader I have made comments to some Liberal members about their trips and suggested whether it was appropriate and provided advice, particularly to newer members, as members would expect. I hope that any experienced member would provide that advice. In shifting responsibility to the Parliament, if Parliament wants the responsibility, there will need to be a set of criteria. I am certainly willing to add my thoughts to that and I will seek advice from within the bureaucracy, if we like, on how that is best done. I am open to whether it is done directly through the Parliament or on the advice of the Salaries and Allowances Tribunal. However, at the moment the system is inadequate. I think most members of Parliament do the right thing; they travel for a purpose, they put together worthy programs and they report on their trips. I think it is reasonable that that be made public.

One thing that has come out of this issue about Shelley Archer's trip is that, frankly, since the beginning of 2007, reports—whether they have been prepared—have not come through the Parliament or been put on the website. We are talking about a two-year backlog. It is extraordinary. I am not dodging my responsibility now as Premier, but going back two years to the previous government, whether reports were prepared or not, they were not being handed to the Parliament or put on the website. The director general may comment in a moment on that, and he has taken action to deal with the backlog of reports. There was an article in the paper this morning, fair enough, that detailed some of the reports. I was described as putting in a half-page report for a trip to Dubai. I place on the public record that I had a 24-hour stopover in Dubai when returning from Europe and that was not in an impost travel account situation. That is fair enough; it was totally appropriate and I spent a worthwhile day in Dubai with a state trade representative. It was one day of briefings and meeting business people. I think it was a totally proper thing to do; it was one night's accommodation in Dubai, it was not a trip to Dubai. However, if a member decided that he or she wanted to know more about the gulf region, it would be a perfectly valid reason to travel overseas, provided the member had a good program, a good purpose for undertaking the trip and could account for the trip properly. I ask the director general if he wishes to comment on dealing with the backlog that he has attended to in recent days.

[10.50 am]

Mr P. Conran: There are two basic reports that are tabled in this Parliament. One is a report on travel undertaken by all public servants, members of Parliament and ministers. That is basically up to date. The second report is a report from members on impost travel that they have undertaken. The practice has been that we await reports from all members before the report for any quarter is tabled. As a result of recent concerns, I have investigated that, and I do not think that there is any excuse for us to delay the tabling of reports from members who are up to date. If members are not up to date, we should identify them as having not provided their report within the required time. For example, for the quarter to the end of 2008, I think there should be a period of grace for members to get their reports in. I had thought that the appropriate period of grace would be six months; I think that we probably could bring that down to three months. If the report is not provided, we will nevertheless publish the reports that have been provided and identify the members who have not yet provided their reports. Most members provide their reports on time, so I do not see any particular difficulties, but this process might hurry up the few members on both sides who do not provide their reports on time.

The CHAIRMAN: Members, I have further questions listed on this topic. I draw members' attention to the time. We still have seven divisions to get through. Members should be aware of the time and be mindful of the fact that we should perhaps be moving on to some other divisions.

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Mr E.S. RIPPER: Regardless of the Premier's thoughts about future possible arrangements for handling imprest applications, is it not the case that he is personally responsible for authorising the expenditure of taxpayers' money on members' overseas trips? Has he, in the exercise of that responsibility, taken any action to improve the quality of the itineraries that are proposed by members? Has he sent any applications back, seeking further information? Has he advised or counselled any member that his or her application needs more detail? If the Premier wants a precedent, I give him the example of the way in which former Premier Geoff Gallop dealt with a proposed trip by Hon Bill Stretch. That was an example of a Premier exercising his responsibility, and not just signing off without any regard for quality control. Is it the case—as the Premier's comments have so far indicated—that he has just been signing off and not actually doing anything to ensure that taxpayers' money is being spent in a proper fashion?

Mr C.J. BARNETT: No. As I think members in this chamber can testify, I have mentioned travel in party rooms and suggested to Liberal Party members of Parliament that if they are planning a trip, they should do so only if there is a good purpose.

Mr E.S. RIPPER: So an Independent can put any application in?

Mr C.J. BARNETT: There is not much point in the member asking me a question if he does not listen to the answer.

I have said to members that Mr John Hammond, an experienced long-term public servant who works in my office, is in a position to advise members about the structure of their trips and how to go about making appointments et cetera. He is able to cast an eye over applications to determine whether they meet the expected standards. A number of members, including an Independent member of Parliament, have availed themselves of that. The trip taken by the Independent member was approved, and it was a very worthy trip.

Mr E.S. RIPPER: Has the Premier advised members of Parliament generally that that service is available to them from the Premier's Office?

Mr C.J. BARNETT: I do not presume to advise Labor Party members about what they should do. If a Labor member of Parliament were planning a trip, I would assume that the Leader of the Opposition would be an obvious person from whom to seek advice, as indeed would be the former Premier. That issue arose when Hon Shelly Archer was an Independent member, after having left the Labor Party during her final months in office. I do not presume to make political judgements about the worthiness of trips; that is something that ideally needs to be done more independently. An overall judgement on a proposed trip should be done through the Parliament; I think that is the best model. The advice that generally would come to me would not so much be about the trip itself—that is the responsibility of the individual member—but about whether the trip can qualify for approval and whether funds are available within the imprest account to meet the costs of the trip. I accept the responsibility and I accept the criticism that has been levelled at me. That is fine; it comes with the territory. However, responsibility also lies with members of Parliament. The system is sloppy and not properly put together. It lacks rigour and accountability, and I knew that this issue would arise at some point; I am surprised that it did not rise more publicly a long time ago. I am very prepared to hand responsibility for travel to the Parliament, if the Parliament wants it, but I will do so with very clear suggestions as to how the system should operate, with the onus of responsibility placed very squarely on members of Parliament.

I will not pursue the Bill Stretch situation; I thought that that was a particularly malicious event when it happened, but I will leave it at that.

Mr P. Conran: I might add that, from time to time, members will contact people like me or others in my office. Indeed, yesterday I was contacted by a member who is not a member of the Labor Party, the Liberal Party or the National Party, asking about the imprest account and whether the use of it was an appropriate matter. I have referred him to our experts, and they will give him the appropriate advice.

Mr E.S. RIPPER: I am sure that our members will be heartened by the knowledge that they can get advice from Mr Conran and John Hammond on these issues.

Mr P. Conran: I am also sure that they will be heartened to know that they can go to our —

The CHAIRMAN: Premier, you need to direct your advisers to answer.

Mr C.J. BARNETT: It is not a general conversation; you are right, Madam Chair.

If Parliament takes responsibility, perhaps a body such as the Salaries and Allowances Tribunal could set out clear guidelines, review applications for travel and monitor the quality and standard of reports back. Given the performance in Westminster over the past month or so, I do not know that the Parliament is necessarily the right body for such a role. There needs to be independent advice on travel.

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Dr M.D. NAHAN: To follow up on the issues in Westminster, those issues have the potential to undermine Parliaments in the United Kingdom and elsewhere. Is there anything we can learn from this in respect of the way in which we fund politicians, and what they can use their various funds for?

The CHAIRMAN: Member for Riverton, you need to connect the question back to a budget item.

Dr M.D. NAHAN: I am; I refer to page 88 and the dot point item “administration of entitlements for Members and former Members of Parliament”. The issue that arose in Westminster was raised by the Premier a minute ago, and it is a major issue in the UK and elsewhere. It has potential implications for us in this chamber. Do we need to take it into consideration in respect of members’ entitlements and how they are used?

Mr C.J. BARNETT: I think we need to take heed of it. The situation in Westminster is certainly morally corrupt, and may actually be corrupt in a harder sense of the word. During my time as Premier, I have not seen evidence of anything approaching those circumstances. Members’ electorate allowances were formerly non-taxable, so there were issues there. Now that electorate allowances are taxable, members are accountable to the Australian Tax Office, and I think that deals with that issue. Members either use the allowance fully or end up with a big tax bill at the end of the day. Probably the only area in which there is a lack of accountability and transparency is travel by members of Parliament.

I do not think we should get too caught up with travel within the state, or even within Australia. Basically we are talking about travel overseas. Members should be able to travel freely and be trusted to travel within the country; certainly within the state. That is part of our job. If a member needs to go to Port Hedland for some reason, that should be available within the budget allocation. To the same extent, if a member has a need to go to Canberra, Sydney or Melbourne, that should be relatively automatic. International travel is something different and that is where transparency is needed. Outside of that, any other entitlement—which is primarily the entitlements of country members while they are away from home and in Perth—is covered properly through the Salaries and Allowances Tribunal. To answer the question: to me, there is no parallel to the disgraceful situation that has occurred in the British Parliament. We do have one area that is sloppy—that is, the imprest travel system. That needs to be modernised, made transparent and accountable.

[11.00 am]

Mr E.S. RIPPER: I refer to service 3, “Management of Policy” on page 89. What support does the department provide to the Premier as a member of the government’s budget committee? Was the Premier acting on departmental advice when he declared that no government he led would plan for budget deficits? What advice does the Premier have about the ways in which the government will deal with the forecast deficits of almost half a billion dollars in years 3 and 4 of the forward estimates? Based on rises in the value of the Australian dollar and falls in the price of iron ore, what advice does the Premier have about the emerging deficit for the financial year after this forthcoming one? In connection with that, the *Pre-election Financial Projections Statement* factored into the revenue an additional \$560 million from the ending of concessional iron ore royalties for new projects. To bring that \$560 million into the budget estimates required the conclusion of amendments to relevant state agreements. When will we see those amendments to state agreements, and for how long can the Premier keep this money in the budget forward estimates without bringing to the Parliament amendments to those state agreement acts?

Mr C.J. BARNETT: For some of the newer iron ore projects, particularly the Marra Mamba project, the payment of a full Mining Act royalty—which basically goes from the fines rate of 3.25 per cent to 5.625 per cent, which is the most common situation—started to come into play in the 1990s when I was the responsible minister. A lot of new projects have done that. That was continued under the Labor years. They are basically agreeing to that. I do not see a dispute with that. It may require some amendments but it has basically been applied and abided by.

A more substantial issue relates to fines reductions. On the older projects, the original developments, companies are still only paying a royalty rate of 3.25 per cent. That arrangement was entered into in the 1960s and 1970s when there was very little market opportunity. The fines were seen as an inferior iron ore product. They are no longer seen as that, and, in many respects, they are seen as a preferred iron ore product. It is my view that time has marched on. Those projects are now 30 to 40 years old and those companies should be paying a full royalty agreement. That is something I spoke about well before I was Premier. The companies are aware of that. Perhaps it is not the ideal market environment at the moment to be pushing too hard on that, but I would hope and expect to see a regularisation, if there is such a word, of iron ore royalties across all operations being phased in. That is important. The people in this state are entitled to receive a full price for the natural resource.

The earlier part of the member’s question related to comments I made that a government I led would be preparing budgets planning for surpluses. I did not receive any advice from Premier and Cabinet or from Treasury, or anyone else. I simply expressed my viewpoint, when I was asked a question along those lines by a

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journalist, when I was standing on the beach at James Price Point. That is my view. I have made it very clear that I expect this government, and I would hope any government, to plan for surpluses. There may be unanticipated events of any nature—a collapse in world trade or a pandemic that might suddenly see a massive drop in revenue and result in an after-effect in which a budget may collapse into deficit; that is beyond our control—but as far as I am concerned, as Premier I will always plan for budget surpluses. That is a discipline that I would expect across the public sector; as simple as that.

Mr E.S. RIPPER: Given that the budget has global provisions for savings that are as yet unrealised—that is, not allocated to individual departments and not operationalised—and given that the government is facing budget deficits of around half a billion dollars each in years 3 and 4 and an emerging deficit next year as a result of movements since the budget close-off date, how is the Premier going to get the budget into shape? What advice is the Premier receiving from his department about the necessary corrective measures? What is the Premier contemplating to turn this situation around?

Mr C.J. BARNETT: We have an economic audit process underway that has already identified savings of over \$1 billion. They were reflected in the budget, which was delivered a couple of weeks ago. The economic audit process is continuing and there will be further savings. Decisions on where they are and what their value is have not been made. The economic audit is continuing in its reporting process.

Mr E.S. RIPPER: Is the answer “no idea”?

Mr C.J. BARNETT: No; because that is absurd—the economic audit is a formal project with specific recommendations. That does not fit the classification of “no idea”. It is quite specific. We will look at those recommendations on their merit, one by one. There will be other points of view that I and the ministers will bring to the table. Revenue to the state has basically crashed by \$4 billion. We cannot ignore that. It cannot be ignored.

Mr E.S. RIPPER: It is still growing. Every year, revenue is still growing, according to the budget.

Mr C.J. BARNETT: There has been a \$4 billion hit over what might have been anticipated. We have to accommodate that. I am very optimistic about the economy picking up. I think it was the member who made reference to the exchange rate. The exchange rate is up around 78c now. Notionally, that takes a lot off the budget figures. I can tell the member one thing: if the Australian dollar is at 78c and if it stays at 78c, it means that our mining and petroleum exports are rising. The Australian exchange rate may be anticipating that export surge, but it will stay up only if our exports are strong and high, which means that our economy is strong. A sustained higher exchange rate, while notionally it affects the figures in a negative sense, means a booming economy in the Australian context.

Mr E.S. RIPPER: Madam Chair, I have one follow-up question.

The CHAIRMAN: Member for Belmont, I am also conscious that the Premier and his advisers have been in here for two hours answering questions. I will take a further question but I have had a request for a tea break. Go ahead, member for Belmont.

Mr E.S. RIPPER: Far be it for me to cause pain and discomfort to members of the public service!

Mr C.J. BARNETT: You already have, over many years!

Mr E.S. RIPPER: The Premier gave a general answer to the question of ending iron ore royalty concessions. I have specific questions that I would like the Premier to deal with. There was an agreement between the previous government and Rio Tinto and BHP Billiton for an end to concessional royalties on new projects covered under their state agreement acts. For that to be operationalised there had to be agreed changes to the state agreement acts and those agreed changes had to be brought to the Parliament. At the time of the *Pre-election Financial Projections Statement*, \$560 million of additional revenue was incorporated into the forward estimates in the belief that this would happen. Quite frankly, after the change of government I expected that amendments to the agreement acts would be in the Parliament. They have not arrived. How long can the Premier keep that money in the forward estimates without bringing these negotiations to a conclusion and bringing the legislation to the Parliament?

[11.10 am]

Mr C.J. BARNETT: Because there was a fair bit else that the former government agreed to, was there not, in concessions to companies? It was not just about royalties, was it? So I will deal with it properly.

Mr E.S. RIPPER: Can the Premier tell us what the issues are, when we are going to see these amendments, and what the basis is for keeping this money in the forward estimates if he is not proceeding with the previous government’s arrangements?

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Mr C.J. BARNETT: We do not proceed with very many of the previous government's arrangements. We are a new government with a new policy direction. As I said, upping the ante on royalties dates back to projects in the 1990s, when it was put in place for new projects. Labor said to generalise it, and I agree with that general thrust. But I am going one step further; I am talking about all royalties across the board. The Leader of the Opposition's question on the royalties, I suggest, would be better directed when we deal with state development topics, when specifically we will have the state development acts and details of the administration of the agreement acts with us. I will have the staff with me then who can answer specifically about those negotiations. It is not a Premier and Cabinet role.

Mr E.S. RIPPER: Is this not a case of the best being the enemy of the good? As the Premier chases a broader solution, is he not putting at risk the money that is already in the forward estimates? Could this not be a big budget black hole if the Premier does not bring this matter to a conclusion soon?

Mr C.J. BARNETT: It is a factor in the budget. I concede that; I do not have any difficulty with that. But I am intending to bring that to a more comprehensive resolution.

Mr E.S. RIPPER: When?

Mr C.J. BARNETT: When we have done it.

Mr E.S. RIPPER: For how long will the Under Treasurer agree to keep this provision in the forward estimates if the Premier does not proceed with the arrangements?

Mr C.J. BARNETT: I think that is a question that the Leader of the Opposition probably should have asked the Under Treasurer yesterday.

Mr E.S. RIPPER: It was asked, and it was referred to the Premier.

Mr C.J. BARNETT: I do not have direct responsibility for that drafting of the budget, but we will deal with the royalties issues. Labor is out of government. It had all sorts of conditions, and the companies had all sorts of conditions, not necessarily all of which I agree with, attached to that deal. It was not a simple royalty issue. They wanted a whole lot of other things. They wanted changes to agreements, amalgamations of agreements and all sorts of things. Labor has a very long track record of throwing away the state's long-term heritage on short-term agreements. It has done that in previous governments, and I am not about to do it.

Mr E.S. RIPPER: I do not object to the Premier's right to review these matters. I simply go to the implications for the budget of not proceeding with those arrangements. This is a half-a-billion-dollar black hole if the Premier does not conclude these agreements.

Mr C.J. BARNETT: No, it is not a black hole. Do not forget: Labor gave away the entire value-adding obligations of Rio Tinto if it were to do the Hismelt expansion, which is now closed. Labor gave away the dream of northern development. So do not come in here and lecture me on my obligations under state agreements. Labor sold the state down the river.

The CHAIRMAN: Speaking of state development issues, that is the last division to be dealt with. We are still dealing with the first division of this session. I remind members of that and perhaps seek advice from the committee about whether it is willing to have a short break at this time and then return to deal with the remaining seven divisions.

Mr E.S. RIPPER: Why do we not proceed to the break, and I will discuss with my colleagues and other members of the committee what they want to deal with.

Meeting suspended from 11.03 to 11.26 am

Mr E.S. RIPPER: I am not certain of the views of all my parliamentary colleagues, but some of us think that we should now move on to deal with the Public Sector Commission.

The appropriation was recommended.