

APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 5) 2006

Committee

Resumed from 9 May. The Deputy Chairman of Committees (Hon Simon O'Brien) in the chair; Hon Kate Doust (Parliamentary Secretary) in charge of the bill.

Schedule 1: Consolidated Fund for the Year Ended 30 June 2006 -

Progress was reported after the schedule had been partly considered.

Hon GEORGE CASH: We are dealing with the Appropriation (Consolidated Fund) Bill (No. 5) 2006 and the various items contained in the schedule. I indicated the last time we dealt with this bill that members handling the bill have been provided with additional notes. I am now referring to page 11 of those notes, which will make sense to those who have the notes - and that is all. I refer to the item concerned with conversion to day labour cleaning costs, which is an amount of \$2.8 million provided to the Department of Education and Training as part of the \$27.365 million that was made available as additional funding for the year under review; that is, 2005-06. The note states that the additional funding was approved to support the reinstatement of day labour cleaning in schools and that schools are progressively implementing the change as current cleaning contracts expire. I want to know the total amount paid for day labour cleaning in schools for the period so that we can understand what percentage the \$2.8 million represents.

Hon KATE DOUST: As I understand it, Hon George Cash wants to know what was the total amount expended. I understand the conversion was \$2.8 million, but I do not have the total amount. We can provide that information on notice.

Hon PETER COLLIER: I refer to the figure of \$2.049 million for outcomes and standards education. What is the justification for that amount?

Hon KATE DOUST: I do not know whether Hon Peter Collier has these notes in front of him. My understanding is the amount of \$2.049 million was the cost of implementing the strategies. I do not have any additional information about a breakdown of the figure or any further detail.

Hon GEORGE CASH: My question follows that of Hon Peter Collier. If that is the amount to initiate the outcomes and standards education, can the parliamentary secretary provide some additional information to indicate how much was used on outcomes and standards education in 2005-06, and preferably also for 2006-07? It is obviously a specific item within education, and that would be very helpful.

Hon KATE DOUST: I will have to take that question on notice and provide the information later.

Hon GEORGE CASH: My next question relates to the amount of \$4.127 million paid to the Department of Consumer and Employment Protection as additional funding during the 2006-07 financial year. The first question relates to attraction and retention benefits, which is an amount of \$2.187 million. The notes indicate that during the 2006-07 budget process, the expenditure review committee approved an allocation of \$2.2 million for the provision of an attraction and retention benefit to specified resources safety division staff to ensure that government remains competitive with employers in the resource industry. I would like to know whether this attraction and retention benefit is a common payment. Is it related only to the resource safety division of the department, and what is the need to provide this payment? In my view it is a new payment, as far as I can recall, and it chewed up \$2.187 million. It would also be useful to know who got the \$2.187 million. I am sure it was a number of people, but how much money did we have to pay to retain certain staff members?

Hon KATE DOUST: I understand that this payment was made to mining engineers. The reason for this adjustment to their salary was that there was a rapid loss of these types of workers to the private sector, where they could attract a much better salary package. This adjustment was made to try to retain them in the public sector. I understand there was difficulty filling positions for these workers.

Hon GEORGE CASH: Can the parliamentary secretary provide a list of the people who received those payments, and the amount paid to each person?

Hon Kate Doust: Do you want names of individuals?

Hon GEORGE CASH: It would be helpful. Does the parliamentary secretary think that the Parliament should not know the names of those people?

Hon Kate Doust: I'm just asking you which details you want.

Hon Peter Collier; Hon Kate Doust; Hon George Cash; Hon Ray Halligan; Deputy Chairman; Hon Murray Criddle

Hon GEORGE CASH: It would be useful to know who they were, because in that way some judgement might be able to be made about whether we received value in retaining certain persons. Is the parliamentary secretary aware of any other attraction and retention benefits paid by the government for similar reasons?

Hon KATE DOUST: We will put the questions asked by Hon George Cash to the Minister for Employment Protection to seek the information about who received payments and what they received. We will also have to put the second question about other areas where attraction and retention benefits are paid to that minister, because I am not personally aware of other areas, but that minister may have that information.

Hon RAY HALLIGAN: On the same issue about the attraction and retention benefits, can the parliamentary secretary advise whether this was a one-off payment, or whether there is provision for these attraction and retention benefits in the forward estimates in the current budget?

Hon KATE DOUST: I understand that it is an ongoing situation, to be determined and reviewed on that basis.

Hon GEORGE CASH: I am now reading page 15, on which is information dealing with the Department of the Attorney General. It was paid additional funding of \$8.139 million during the 2005-06 financial year. The notes attached to the line item "Pressures and Community Legal Centres" amounting to \$1.070 million state -

Supplementary funding was provided to the Department to meet representation cost pressures associated with more complex and expensive legal cases.

Can the parliamentary secretary indicate what the nature of the complex and expensive legal cases were that required this addition funding?

Hon KATE DOUST: No; I do not have that information. I will have to seek that information from the Attorney General.

Hon GEORGE CASH: This document was not prepared by the Attorney General; it was prepared by Treasury. Surely, if the notation is that funding was for "more complex and expensive legal cases", there would be some reason to justify the use of those words. I am surprised that the parliamentary secretary says she does not know what the words "more complex and expensive legal cases" mean when she is asking this committee to provide an extra \$1.070 million for that particular cause.

Hon KATE DOUST: I understand that additional funds were needed to deal with more complex and expensive legal cases because the department required greater resources and more senior staff to assess and address the types of cases they were dealing with. I do not have the detail of the types of cases.

Hon GEORGE CASH: The point I am making is that this funding occurred probably six months after the 2005-06 budget was brought down. I am interested to know what changed during that six month period in the type of case dealt with that caused greater complexity and greater expense. There must be some reason. The type of case must have changed. Why did the complexity change? What are the substantive reasons that they are now more complex?

The DEPUTY CHAIRMAN (Hon Simon O'Brien): Has the document that is being referred to been tabled as well as being provided to interested members? There is an indication that it has not been tabled and has simply been provided to members. For the benefit of those who might follow the debate at a later date, it might be an idea if the parliamentary secretary seeks to table a copy of the document if one is available?

Hon KATE DOUST: There is a document for both bills. Shall I table the other one later?

The DEPUTY CHAIRMAN: The honourable member can table the explanatory matter for this bill.

Hon KATE DOUST: The document I have, which has been provided to a number of members and is available to all other members in the chamber, is the Appropriation Consolidated Fund Bill (No. 5) 2006 "Details of Recurrent Expenditure, Excesses and New Items for the 2005/06 Financial Year".

The DEPUTY CHAIRMAN: The parliamentary secretary seeks the leave of the committee to table that document.

Leave granted. [See paper 2743.]

The DEPUTY CHAIRMAN: That document is tabled. I now call on the parliamentary secretary to address the matter that has just been raised.

Hon KATE DOUST: The detail and the nature of the changes that occurred with those types of cases during that period to which Hon George Cash referred can be provided only by the Attorney General. If the member wants, I will ask the Attorney General to provide that detail for him. I have not been provided with that information here.

Hon Peter Collier; Hon Kate Doust; Hon George Cash; Hon Ray Halligan; Deputy Chairman; Hon Murray Criddle

Hon RAY HALLIGAN: There is mention in the information for the Department of the Attorney General, and in many other places, to depreciation. Depreciation is normally known as a non-cash item. Can the parliamentary secretary please tell us why that has been included in this appropriation bill?

Hon KATE DOUST: With his background, the member might understand this better than I do. I understand that in an accrual appropriation framework, it covers cash and non-cash expenses and that is why it is listed.

Hon RAY HALLIGAN: I will certainly bow to greater knowledge. I understand what the parliamentary secretary has said; that is, that in any accounting, but particularly accrual accounting, there is depreciation, which is the value of the use of the assets. However, when we talk about cash appropriation of money - dollars and cents - depreciation is normally excluded because it is a non-cash item. For example, the amount of \$8.1 million for the Department of the Attorney General includes items that have had to be expended, or paid. We do not have to pay for depreciation.

Hon KATE DOUST: The accrual appropriation covers cash and non-cash expenses. In this case, it covers non-cash items, such as depreciation, and an adjustment to depreciation for that agency is indicated.

Hon RAY HALLIGAN: I am not sure that that is a satisfactory explanation because it does not explain why it is included. Let us make the comparison between accrual and cash accounting. Cash accounting is the movement of dollars and cents. Accrual accounting includes depreciation and accruals - prepayments or balance-day adjustments are other terms for them. The old government accounting system used the cash accounting system; therefore, there was no depreciation because all the assets were written off to zero anyway. To calculate whether a profit or a loss has been made, depreciation is brought into the equation and it becomes an expense. It is a non-cash item expense.

In this instance we are talking about appropriations; that is, getting money from the Department of Treasury and Finance to pay for these items. Depreciation is not paid, because it is a non-cash item. The parliamentary secretary needs to explain exactly why it is included in this list. As I mentioned, it is in any number of these categories. For example, the Department of Education and Training has depreciation in excess of \$13.5 million; that is, additional cash that is being drawn from the Department of Treasury and Finance. However, what is being done with it?

Hon KATE DOUST: I am advised that the reason the item is listed is that the department is required to get authorisation from the Parliament to incur the depreciation expense. That is the reason that it is listed in other areas as well.

Hon RAY HALLIGAN: I am sorry, parliamentary secretary, but again it is not a satisfactory explanation. I suggest to the parliamentary secretary that she might ask for an explanation at some stage?

Hon Kate Doust: Can we get somebody to provide you with a briefing?

Hon RAY HALLIGAN: Yes, I would appreciate that because there are very large amounts of money involved and it is not up to me to tell the parliamentary secretary what I believe might be happening; it is incumbent upon her to advise the committee on exactly what is happening with this money.

Hon KATE DOUST: We will organise for the Department of Treasury and Finance to provide the member with a briefing.

Hon GEORGE CASH: I refer to page 17 of the document which deals still with the Department of the Attorney General. I refer to the item titled, "Act of Grace and Ex-Gratia Payments - Unbudgeted Payments for the Year" which states -

The DotAG meets the costs of settlement damages in common law, mainly mesothelioma settlements. No budget provision is made and costs are met by way of supplementary appropriation authority as they are incurred on an emerging basis. Given the unavoidable and unpredictable nature of the above claims, the request for supplementary funding was approved.

The supplementary funding was \$194 000. I understand completely why ex-gratia payments are the subject of these appropriation bills. It happens on an annual basis. The bottom line is that they are emerging payments and an ex-gratia payment cannot be predicted into the next 12 months. Money could be set aside as a contingency.

I refer now, also on page 17, to "Defendant's Costs". There is an appropriation of \$600 000 for that item. The notes state -

Defendant's costs occur as a result of an order made by a Magistrate under the *Official Prosecutions (Accused Costs) Act 1973*. When an accused is found not guilty in a criminal matter, they are eligible to recoup their court costs.

Why was an amount not set aside as a contingency for defendant's costs? Why are these costs not treated in the budget as a contingent item?

Hon KATE DOUST: I understand that these payments for defendant's costs are similar to act of grace and ex-gratia payments. That is, they are difficult to predict; therefore, the decision for payment occurs late in the year. As to whether moneys are allocated in the budget for this purpose, I would need to get that information and provide it to the member.

Hon GEORGE CASH: That would be helpful, because if these moneys are provided for in the budget on an annual basis, then what the parliamentary secretary has said would not necessarily hold water. The parliamentary secretary has said that the reason that defendant's costs are listed here is that they are of a similar nature to act of grace payments. I would have thought that over a period of time it would be possible to estimate what defendant's costs would be, and include a contingency item in the budget for those costs.

Hon KATE DOUST: As I have said to the member, we will find out whether moneys have been allocated in the budget for that purpose. However, even if moneys have been allocated in the budget for that purpose, it is difficult to predict the number, frequency and amount of these costs. It may be that even if moneys have been allocated in the budget, additional moneys will need to be paid. Those amounts may fluctuate from year to year.

Hon GEORGE CASH: I understand the answer given by the parliamentary secretary. However, if the parliamentary secretary could find out whether this is a standard contingent item in the budget, that would be helpful. In respect of the amount of \$600 000, which is just a global figure, can the parliamentary secretary provide a list of the persons who were paid, and the amounts they were paid?

Hon KATE DOUST: We will seek that information from the Attorney General and provide it to the member.

Hon MURRAY CRIDDLE: I refer to page 18, "Implementation of the Resource Model and Corporate Governance Reforms". Is that once-off additional funding, or is it an ongoing requirement?

Hon KATE DOUST: I understand that this amount is the adjustment for 2005-06. It includes ongoing payments.

Hon MURRAY CRIDDLE: So it is additional funding, but will it continue as additional funding year in and year out from here on?

Hon KATE DOUST: Yes, that is my understanding.

Hon MURRAY CRIDDLE: I refer also, on that same page, to "Health Services Union (HSU) Claim". Has an amount already been allocated in the budget for this claim, and, if so, is this an additional amount; or is this the total figure for this claim?

Hon KATE DOUST: I understand that that figure was the total amount for that year.

Hon MURRAY CRIDDLE: Can I take it that there was no anticipation of a wage increase or salary increase in the budget previously?

Hon KATE DOUST: I understand that there would have been an amount of money set aside in the budget for a wage increase, but that was additional funds allocated because no moneys had been set aside to deal with the award classification review.

Hon RAY HALLIGAN: I go back to the Office of the Director of Public Prosecutions. I know the parliamentary secretary responded to a question from Hon Murray Criddle, but just under the figure referred to, the document states -

The additional funding was provided to . . . implement reforms and ensure that an appropriate level of resources was directed at improving the delivery and sustainability of effective prosecution services.

Will the parliamentary secretary clarify whether the original reforms to do exactly that had previously been budgeted for; that this is, as it says, over and above that figure; and whether this is the final figure to complete those particular reforms?

Hon KATE DOUST: I understand that this figure is the full cost of the additional resources that were applied to the Director of Public Prosecutions. This is the part-year cost for those reforms. The amounts in the forward years are of a greater amount.

Hon MURRAY CRIDDLE: I go to page 19, "Murray District Health Centre Reversal of Recurrent Funding". On my reading, this is a capital appropriation that we are now talking about. That being so, this indication is simply that it is being removed from recurrent and moved to capital investment, because it states that it includes accommodation for services and a range of community health services such as physiotherapy, occupational

therapy and so on. Are we just talking about the physical building that allows for the accommodation of those people, and hence it becomes capital?

Hon KATE DOUST: Yes, it has been moved to capital investment.

Hon GEORGE CASH: I wish to jump to page 23 and the Western Australia Police, which seeks supplementary funding of \$8.083 million. The notes indicate that about \$5.9 million of the total is for improved counter-terrorism and emergency response capability, which includes recurrent costs of \$2.444 million, expensed capital works of \$2.997 million and depreciation of \$452 000. Could the parliamentary secretary indicate what the expensed capital works comprise? Also, what are the policy criteria for a capital works to become an expensed capital works and therefore appear in the recurrent fund bill?

Hon KATE DOUST: I understand that those expensed capital works are items of equipment that would be used by members of the Western Australia Police and the values fall below the capitalisation threshold for that agency. I am not sure whether the threshold is \$1 000 or \$5 000 but I will find out and provide that information to the member.

Hon GEORGE CASH: I refer to the second part of my question. What is the policy criterion within government with respect to a capital item that becomes an expensed item and is able to appear in the recurrent budget?

Hon KATE DOUST: I understand that the government is moving towards a capitalisation threshold of \$5 000. If it falls below that level, the government is obliged to report that amount as recurrent expenditure. I understand that it is written off in the first year.

Hon GEORGE CASH: Can the parliamentary secretary provide a breakdown of the expensed capital works for this particular item so that we understand exactly the way the Western Australia Police accounts for its expensed capital works?

Hon KATE DOUST: I will obtain that information from the minister and provide it to Hon George Cash.

Hon GEORGE CASH: Page 26 of the document refers to the Department for Planning and Infrastructure's request for \$13.262 million as supplementary funding. An allocation of \$1.533 million has been made for the continuation of the North West Shipping Service, which provides a competitive alternative service to remote communities and industries, and reduces the negative impact of heavy vehicles by taking freight off the roads. Was an amount allocated in the budget for the North West Shipping Service; and, if so, will the parliamentary secretary indicate how much it was? What occurred with that contract that resulted in the department seeking an additional \$1.533 million as supplementary funding?

Hon KATE DOUST: I understand that there was an allocation in the budget. I will have to come back to the member with the amount. I also understand that the reason for the additional amount was that there had been a change in government and although the service had been operating, the government has been trialling an extension to the service. These additional funds are for the continuation of the trial. I will come back to the member with the budget allocation.

Hon GEORGE CASH: The parliamentary secretary indicated that the change of government had some bearing on this additional money. Given that the change of government occurred in 2001, why would this amount not show up until the 2005-06 budget as supplementary funding for 2006-07?

Hon KATE DOUST: I understand that the money that had been allocated in the budget for the trial of the additional service was for a finite period. To continue that extended service, the department sought additional payments. We will get further details on this issue for the member.

Hon MURRAY CRIDDLE: We need to clarify this issue, because my understanding is that the contract was let some time ago. If we are talking about an additional service to the contract and an extension of that, it must be clearly enunciated how that was put in place and whether there was competition in the ensuing progression of the trial, if there was a progression of the trial. I would have thought that the only way it would have gone on after a trial would have been to create competition to see who should carry out a further extension of the trial. Obviously a decision was made at the end of that term to extend the service; otherwise the trial should have been aborted.

Hon KATE DOUST: We will get that information from the Minister for Planning and Infrastructure and provide it to members.

Hon GEORGE CASH: Perhaps the parliamentary secretary could indicate how the change of government that she referred to impacted on the \$1.533 million that is now sought some five years after the change of government occurred.

Hon KATE DOUST: We will need to get that information directly from the minister to provide the proper detail that Hon George Cash requires.

Hon George Cash: Is it possible that it had nothing to do with the change of government in 2001?

Hon KATE DOUST: That was the advice I was given and that is my understanding, but I am sure that the minister will provide the detail that the member seeks.

Hon GEORGE CASH: It seems to me that there is some confusion about whether this item has anything to do with the change of government in 2001. If the parliamentary secretary has perhaps misunderstood some advice, I could understand that; we all make mistakes. However, I am at a loss to understand how this money that is now sought by way of supplementary funding could be directly related, as the parliamentary secretary claimed, to the change of government in 2001.

Hon KATE DOUST: Hon George Cash may be right. I may have misunderstood; we are all human. It is appropriate that I get the correct information from the minister about why these decisions were made and provide that to the member.

Hon RAY HALLIGAN: I do not want to labour the point. However, the wording of the information that is presented suggests to me that there is no trial. It says the “continuation” of the north west shipping service - not a trial - which provides a competitive alternative to remote communities and industry to support the argument for the appropriation of a further \$1.5 million is to reduce the negative impact of heavy vehicles by taking freight off the roads. I will put a proposition to the parliamentary secretary, and she can tell me either now or at a later stage whether I am wrong. The service is continuing and it is operating at a loss that is greater than has been budgeted for to the extent of \$1.533 million. It will operate at a loss next year and the following year. At this same time next year we will find out whether the government has budgeted for the correct amount of loss when considering these further appropriation bills. That is the way I read that. The minister has tried to provide a reason for having to ask for these additional moneys for a service that is operating at a loss. If that is the case, then so be it. It is no good trying to provide an alternative argument to the one that I see written in black and white.

Hon MURRAY CRIDDLE: I turn to TRELIS - the transport executive and licensing information system - which has been a little bit of a problem for the government. In fact, it has been quite a large problem for the government. I see an extra funding requirement of nearly \$5 million; it is actually \$4.872 million. I am concerned about the ongoing extra cost of the computer system and whether it will continue to appreciate as a cost. It was initially installed as a very efficient system; I can well recall being introduced to it when I was a minister. We did not implement it, but it has become a problem. I am concerned that we will see additional blow-outs. What was the initial cost? Will we see continuing blow-outs in future budgets in the cost of TRELIS?

Hon KATE DOUST: I understand that any further investment in TRELIS would be on the basis that any additional benefit would increase its capacity to enhance its performance. Concerning the original cost, we will have to find that out for the member. The Auditor General released a report on TRELIS some time during the past 12 months. If the member needs a copy, we can track one down for him.

Hon MURRAY CRIDDLE: There is reference to “ongoing support and infrastructure”. I would have thought that that was a capital investment rather than a recurrent investment.

Hon KATE DOUST: I understand that it is listed as a recurrent cost because staff are required to service it.

Hon RAY HALLIGAN: I take it that it is the maintenance thereof of the infrastructure?

Hon Kate Doust: Ongoing operational.

Hon RAY HALLIGAN: Of course, it causes people on both sides of the chamber in both houses of Parliament some considerable concern that TRELIS has cost so much over the years. I hear what the parliamentary secretary has said about the possibility of a report from the Auditor General.

Hon Kate Doust: It has already happened.

Hon RAY HALLIGAN: Has it already happened? I must admit that I cannot recall a report. That is not unusual because there are far too many reports to read. I will read it with interest when I find it. I would also like to know at some stage whether the government, having read the report, has undertaken a cost-benefit analysis to determine whether TRELIS is worthwhile keeping. If we are going to not only budget for certain amounts - I do not know what the amounts are -but also ask in this instance for an additional nearly \$5 million, it would appear that what we have here may be a bottomless pit; I am guessing now. At some stage a decision will have to be made whether to put further moneys into it or whether it should cease and alternatives be provided.

That is a question for government, and I would like the government to advise this side of the chamber in particular what its intentions are.

Hon KATE DOUST: The answer to the question of whether the government has conducted a cost-benefit analysis is no. I understand that the plan is for TRELIS to continue into the future. It is a large system that operates around the state and collects many millions of dollars in motor vehicle revenue. It is a very complex system, as I am sure Hon Murray Criddle could advise us, and I understand it would be a very expensive and time-consuming exercise to reproduce it to establish something similar.

Hon MURRAY CRIDDLE: The note clearly refers to support and infrastructure and the minister said it is support for people. Is extra infrastructure being put in place to expand the service - that is what I understood the minister to say - and are we seeing more computers or tables and chairs, or what?

Hon KATE DOUST: I understand that this additional funding is to enable TRELIS to provide equipment and the staff to operate it all around the state. That may come down to providing desktop computers to staff and those sorts of facilities so that it can meet its core requirements. It is not related to any expansion.

Hon MURRAY CRIDDLE: I refer to the bottom of page 27 and the current contracting arrangements with Transperth, which provide for consumer price index increases and increased fuel costs and so forth. However, there is an additional operating cost of \$10 million. I thought that the words in that paragraph on page 27 indicated those costs had already been budgeted for. Is that extra \$10 million over and above the budgeted figure?

Hon KATE DOUST: I understand that it is.

Hon GEORGE CASH: The same page shows an amount under the heading of depreciation for \$2.83 million, which is a credit amount. I ask the parliamentary secretary to explain why this is now shown as a credit, because the note reads -

The additional funding requirement is partly offset by:

- revised depreciation (-\$2,830,000) following accounting advice that the trial of fuel cell buses must be expensed rather than capitalised.

I understand from the parliamentary secretary that the policy criterion that the government is working to is that capital items of less than \$5 000 should become expensed items and therefore appear in the current account. It would seem to me that the cost of the fuel cell buses would be greater than \$5 000, and I would like some explanation on this credit amount for depreciation, and where the expensed amount is shown in the books.

Hon KATE DOUST: I understand that the accounting advice originally provided to the department was based on the assumption that the trial buses would be an asset and therefore would incur depreciation. Subsequent advice was that they could not regard the buses as assets, because they were only for trial purposes, and therefore did not provide an asset for the state. As to the member's other question about where the money went, I understand that that figure is quite possibly a previous year adjustment, but we will clarify that and provide that information to the member.

Hon GEORGE CASH: Is the parliamentary secretary therefore indicating that the revised depreciation figure of \$2.830 million may not relate in total to the trial of fuel cell buses?

Hon KATE DOUST: I understand that that figure was a reduction in the depreciation associated with the trial buses.

Hon GEORGE CASH: If that is a reduction, I understand why it is a reduction; namely, the fuel cell buses will not be called a capital item so to speak. They are to be an expensed item of a capital nature. Where does the value of the buses that was written off for the year appear?

Hon KATE DOUST: We are assuming that that amount was in the previous year. However, as I said, we will confirm that and provide that information to the honourable member.

Hon GEORGE CASH: At the same time, would the parliamentary secretary indicate the amount that was written off for the fuel cell buses, because an amount of \$2.830 million indicates that it is a significant capital amount of depreciation. I accept that it may be a reflection of a carryover for the previous year, but the parliamentary secretary can provide that advice also in due course.

Hon KATE DOUST: I have been advised that the amount listed on the page is quite high because the buses were written off over a much shorter period than would be usually the case.

Hon GEORGE CASH: Do I understand by that that the word "depreciation" in this context is not depreciation of a capital item at, say, 10, 15 or 20 per cent per annum because it includes part of the capital cost of the buses?

Hon Peter Collier; Hon Kate Doust; Hon George Cash; Hon Ray Halligan; Deputy Chairman; Hon Murray Criddle

Hon KATE DOUST: I understand that whereas a bus would usually be written off over 10 to 15 years, these were written off over four to five years.

Hon GEORGE CASH: If the word “write-off” had appeared, perhaps we would have better understood it.

Hon KATE DOUST: It comes back to the issue we dealt with last year of providing greater clarification on the line items.

Hon GEORGE CASH: We are being very generous in our comments anyway!

Hon RAY HALLIGAN: I refer to the item “Belmont-Claremont Bus Contract Renewal” under the Public Transport Authority on page 27. The explanation indicates that the tender for the Belmont-Claremont bus contract exceeded budget provisions by a considerable amount. Can the member provide some explanation for why that occurred?

Hon KATE DOUST: The answer is not because more people wanted to go from Belmont to Claremont! I understand that the additional amount of money was required because there was a renewal of a contract for which the amount was greater than the previous amount allocated in the budget. I would have to find out the detail of the original amount and provide it to the member.

Hon MURRAY CRIDDLE: At page 28 reference is made to the additional expenditure that was associated with the installation of seatbelts on the government’s orange bus fleet. I was not aware that the government was going ahead with the installation of seatbelts. I thought that the minister had delayed that decision. Can the parliamentary secretary alert me to the reason for the extra expenditure over and above what was budgeted for?

Hon KATE DOUST: I understand that this was the start of the program and it was the estimated expense in 2005-06. I understand that the program will continue, but over a long period. That was the beginning. I understand that it was the first year that it was decided to go ahead with the program and it came in after the budget and that is why the expense is listed there.

Hon GEORGE CASH: I refer to page 30 and to the Department for Community Development, which is seeking an extra \$2.17 million of supplementary funding. The first item in the table under the heading “Parameter Changes” is for \$2.406 million. Although that is in excess of the total amount that is asked for, there are some credit amounts within the whole item. In the explanation for parameter changes, the document states in part -

Additional funding was approved for the following parameter changes:

...

- the increased cost of the Working With Children application process via the use of Australia Post to process applications (\$680,000); ...

Can the parliamentary secretary provide some information on the involvement of Australia Post to the tune of \$680 000?

Hon KATE DOUST: I understand that assumptions were made about establishing this service within government, but it was decided to have Australia Post provide the service. The amount of \$680 000 is the service fee that was negotiated and it was greater than the original assumptions that had been made for the cost of processing the applications.

Hon GEORGE CASH: I do not fully understand Australia Post’s involvement and the need for an additional \$680 000. Rather than us get bogged down now, will the parliamentary secretary provide some additional information on the processing of the applications that apparently has cost \$680 000 more than anticipated?

Hon Kate Doust: Okay.

Hon GEORGE CASH: Perhaps the parliamentary secretary knows the answer and that would save time.

Hon KATE DOUST: I do know some of the answer, but not all of it. It is better that we provide the member with a proper answer.

Hon Ray Halligan: The complete answer.

Hon KATE DOUST: I thank Hon Ray Halligan - the complete answer.

Hon GEORGE CASH: The next item I raise is the Children’s Commissioner, for which the supplementary funding is \$1.5 million. It is a credit amount. Has the Children’s Commissioner been appointed? This document indicates that the funds were not utilised for the purpose of the Children’s Commissioner. They were returned to the consolidated fund, given that the relevant legislation did not pass through the upper house until 26 September 2006. I understand that the legislation did not pass until that time and that is the reason that the

money was refunded to the consolidated fund. However, 12 months later, can the parliamentary secretary advise whether the Children's Commissioner has been appointed?

Hon KATE DOUST: The short answer is that to the best of my knowledge, no. I know that advertisements were placed towards the end of last year or early this year. I am not sure of the date. I do not believe that position has been filled.

Hon GEORGE CASH: I refer to page 32 of the notes that indicate supplementary funding of \$973 000 for the Department of Culture and the Arts. One of the items listed is \$400 000 to meet additional operating costs at the Kew Street centre. Can the parliamentary secretary indicate what the total cost was in respect of the Kew Street centre; that is, what percentage does the \$400 000 represent in respect of the total cost, and what is the \$400 000 represented by?

Hon KATE DOUST: I will have to seek that information from the Minister for Culture and the Arts and provide it to the member.

Hon RAY HALLIGAN: I come back to the top of page 31 that deals with supplementary funding of \$2.406 million for parameter changes. Reference is made to the repositioning of funds of \$360 000 for the purchase of land on which to build the Craigie community centre. It says a "repositioning" of funds. The funds have come from somewhere to be allocated to this purpose; therefore, there must be a credit item somewhere. Can the parliamentary secretary tell me where that credit item can be found?

Hon KATE DOUST: We do not have that information to hand. We will obtain the information for the member and provide it to him.

Hon RAY HALLIGAN: The other part to the question is: if that funding is for the purchase of land, is it not a capital item?

Hon KATE DOUST: I understand that, in this case, the asset will sit not with the state, but with the local authority. That is, once the purchase of the land has been completed, the ownership will go to the local authority.

Hon Ray Halligan: So it will be more like a grant?

Hon KATE DOUST: I will provide that information with the information that the member requested previously.

Hon RAY HALLIGAN: I refer to page 31, "Children's Commissioner", and the \$1.5 million credit for that item. The notes state -

Funds not utilised for the purposes of the Children's Commissioner were returned to the Consolidated Fund . . .

It states "were" - past tense. I suggest that by putting in those moneys as a credit figure, it means that the moneys are in the process of being returned. However, the notes give the impression that the moneys have already been returned. I admit that this may sound a bit pedantic, but it is a matter of communication. We have spoken about write offs and things of that nature. If the parliamentary secretary would take that information back to the minister, it would make it a lot easier,

Hon MURRAY CRIDDLE: I refer to page 34, "Cost Escalation". The notes state that additional funding of \$3.9 million was provided to the Rottneest Island Authority. What is the base figure on which there was that large escalation in costs?

Hon KATE DOUST: We will need to get that detail from the minister. We do not have that information. We will provide that to the member.

Hon GEORGE CASH: On that same issue, can the parliamentary secretary also provide a breakdown of the particular projects that are relative to that cost escalation?

Hon KATE DOUST: We will do that.

Hon RAY HALLIGAN: I refer to page 34, "Old Treasury Buildings". The notes state that funding of \$3.3 million was approved "to cover costs associated with design development and investigative works within the existing building in order to clarify heritage issues". Can the parliamentary secretary advise what is happening with the old Treasury buildings, and whether it is likely that any additional costs will be expended; and, if not, would the parliamentary secretary be able to obtain that information?

Hon KATE DOUST: I suppose the short answer is no, I cannot tell the member off the top of my head. I understand that the Department of Housing and Works is investigating options for the site. I do not think that information is available at this point.

Hon Peter Collier; Hon Kate Doust; Hon George Cash; Hon Ray Halligan; Deputy Chairman; Hon Murray Criddle

Hon GEORGE CASH: On page 36 there is an amount under Department of Corrective Services for expensed capital works projects of \$1.988 million. The notation states -

An increase in recurrent appropriation was required due to the reflow of its capital works program.

Will the parliamentary secretary expand on what that means or is meant to mean?

Hon KATE DOUST: In response to the question about expensed capital works projects, I understand that area may refer to projects that may have slipped from one year to another; and reflow refers to changing the timing of the projects.

Hon GEORGE CASH: If it relates to slippage in respect of particular items, why does it refer to reflowing the capital works program when we are dealing with a recurrent bill?

Hon KATE DOUST: I understand that is because the mix of expensed and capitalised capital works changed and therefore the appropriations also had to change.

Hon George Cash: Could the parliamentary secretary provide some further information so that we understand the criteria that are being used?

Hon KATE DOUST: Sure, we will do that.

Hon MURRAY CRIDDLE: The note at the bottom of page 37 states -

Additional funding was provided for the employment of a Community Liaison Officer.

Why on earth does the office of the Inspector of Custodial Services require the additional employment of a community liaison officer?

Hon KATE DOUST: I understand that this person was employed to liaise with stakeholders and to provide information to them on the inspector's findings and views.

Hon MURRAY CRIDDLE: Who are the stakeholders if we are talking about the inspector?

Hon KATE DOUST: I understand that the term "stakeholders" could be fairly broad. It could include a range of interest groups, such as human rights groups, or members of the general community.

Schedule put and passed.

Title put and passed.