

# **STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS**

**2020–21 BUDGET ESTIMATES AND  
2019–20 ANNUAL REPORTS**



**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
WEDNESDAY, 18 NOVEMBER 2020**

**SESSION FOUR  
DEPARTMENT OF TREASURY**

**Members  
Hon Alanna Clohesy (Chair)  
Hon Tjorn Sibma (Deputy Chair)  
Hon Diane Evers  
Hon Aaron Stonehouse  
Hon Colin Tincknell**

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**Hearing commenced at 4.16 pm**

**Hon STEPHEN DAWSON**

**Minister for Environment representing the Treasurer, examined:**

**Mr MICHAEL BARNES**

**Under Treasurer, examined:**

**Mr MICHAEL COURT**

**Deputy Under Treasurer, examined:**

**Mr DANIEL LINES**

**Principal Policy Adviser, Treasurer, examined:**

**Mr ALISTAIR JONES**

**Executive Director, Economic, examined:**

**Mr MICHAEL ANDREWS**

**Acting Executive Director, Strategic Policy and Evaluation, examined:**

**Mr RICHARD WATSON**

**Executive Director, Infrastructure and Finance, examined:**

**Ms PAULINE BURTON**

**Chief Finance Officer, examined:**

**The CHAIR:** On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to today's hearing. Have you all read, understood and signed a document titled "Information for Witnesses"?

**The WITNESSES:** Yes.

**The CHAIR:** It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being reported by Hansard and a transcript of your evidence will be provided to you. It is also being broadcast live on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Members, before asking a question, I ask that you identify whether it relates to budget papers or an annual report, and provide the relevant page number.

Members, we have about 12 minutes per person, with some extra time allocated for the official spokesperson. We will start with Hon Diane Evers.

**Hon STEPHEN DAWSON:** Madam Chair, you did not ask me whether I had an opening statement.

**The CHAIR:** Do you have an opening statement?

**Hon STEPHEN DAWSON:** No, thank you, I do not.

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**The CHAIR:** I loved using that 30 seconds!

**Hon DIANE EVERS:** The first question is somewhat general across both the budget and the annual reports. It is in regard to COVID. We have heard all along through this past year about the COVID changes and the costs they are going to have, but it is very difficult to add all those up. I am looking for something that would show all the costs related to it on an annual year-by-year basis so we can see what has already been costed, and what we are expecting for next year and years on. I think at the time when we originally had some of our early sessions, trying to plan for it, we had a bit of a mud map of costs that we were expecting, but I am expecting something a little bit more complete now.

[4.20 pm]

**Hon STEPHEN DAWSON:** I can certainly give you some information in relation to COVID. I can start off with the emergency management response to COVID. As at 30 September, which is just outside of the budget, but it is the most up-to-date information I have, and I am happy to provide it to you, WA Health had spent \$405.6 million on state emergency response initiatives. That included \$131 million on activity-based hospital services; \$54.9 million to stockpile medical supplies and equipment in preparation for any future outbreak of COVID-19; \$47.5 million on private hospital viability payments; \$43.9 million on quarantine and repatriation costs; \$39.6 million on COVID-related salaries and wages, which are not captured in hospital services; \$31.1 million on medical equipment and other capital on things like ventilators, beds, dialysis machines and humidifiers; \$26 million on medical supplies used to date, including personal protective equipment, PPE, and PathWest COVID-19 testing; and \$31.6 million on various other items such as transport costs. I should just say that the figures that I have just given could change slightly as the administrator of the national health funding pool's quarterly reconciliation processes are finalised, so some money we will get back from the commonwealth.

In relation to WA Police, as at 3 September 2020, WAPOL had spent \$45.3 million on state emergency response initiatives. That included \$25.9 million on COVID-related salaries and wages for police officers and support staff, and \$19.4 million on various other items such as enhanced cleaning, PPE, minor equipment purchases and transport costs.

In relation to the Department of Communities' spend, as at the same date, 30 September, it had spent \$12.7 million on state emergency response initiatives. They included \$5 million to operate the Incident Management Team and the State Welfare Incident Coordination Centre; \$2.7 million to respond to family and domestic violence; and \$5 million to deliver various other initiatives, things like supporting the return of Aboriginal people to their communities, remote communities in particular, and providing welfare support for quarantined travellers and assistance in returning home after the isolation period, and a few other measures to assist vulnerable people. They are the three big agencies and the big spends.

**Hon DIANE EVERS:** Right. Would there be something also that covers things like payroll tax and other areas where we made changes and allowances, such as the electricity payment that is being made and other subsidies?

**Hon STEPHEN DAWSON:** There is that \$464 million, and based on agency information, again for the same date, 30 September, expenditure and revenue forgone under the recovery plan is around \$1.7 billion. That \$1.7 billion and \$464 million is \$2.1 billion that has been spent in total relief and stimulus measures since the restrictions were imposed in mid-March, so that is mid-March to 30 September.

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**Hon DIANE EVERS:** I suppose the minister has the numbers that make up that \$1.7 billion? I do not really expect the minister to read them out, but is it possible —

**Hon STEPHEN DAWSON:** I certainly do.

**Hon DIANE EVERS:** Could that just be provided as a supplementary?

**Hon STEPHEN DAWSON:** It is asking a lot! Okay. We will provide it by way of supplementary.

*[Supplementary Information No D1.]*

**Hon DIANE EVERS:** Does that revenue forgone include the \$600 payment for Synergy or Horizon, or is that in addition to that?

**Hon STEPHEN DAWSON:** No, that is different.

**Hon DIANE EVERS:** This is costs incurred up to that point?

**Hon STEPHEN DAWSON:** Absolutely, but of course that \$600 comes out from 1 November, but it is also related to the Bell Group issue.

**Hon DIANE EVERS:** The money comes from that. It is over \$2 billion up to 30 September. For the money going forward, which is just spread out through the budget, is there any way of keeping track of that as to what is COVID-related?

**Hon STEPHEN DAWSON:** In budget paper No 3, on page 28, there is, I guess, the cashflowing of the recovery plan. You will see that in 2019–20, the total recovery spend was \$669 million, and then \$2.264 billion in 2020–21, \$1.265 billion in 2021–22, and \$869 million in 2022–23, and 2023–24 has \$447 million. That adds up to the \$5.5 billion that is linked to the COVID recovery plan. The previous page in that document is quite helpful. That shows the different spending allocated to the various initiatives. That is obviously over time—over the next few years. As I have indicated, I am happy to give you the actual to 30 September. We can provide that at a later stage.

**Hon DIANE EVERS:** Thank you. Another question is that during the session with the Water Corporation, we heard that the dividend will be deferred until next year. Page 31 of budget paper No 3 shows the revenue from public corporations. It seems to be appearing as another revenue movement, rather than something referring to policy decisions. I was just thinking that really the decision to defer those dividends was a policy decision, it seems to me, and would be at the top of that chart. Does the minister see what I am saying, given the government has control over those deferments?

**Hon STEPHEN DAWSON:** I think it is a grey area whether it is a policy decision or a parameter movement. It could go either way. I do not think there is anything kind of untoward relating to it. It is simply where it ended up in the report. I bring your attention to the *Annual Report on State Finances*, which actually came out in September. Page 7 of that document talks about the dividend payments and when they would be paid. It is not as though it has been hidden. It is in the document. In terms of where it appears in that table on page 31, it could have been in either place.

**Hon DIANE EVERS:** It might answer my next question, which was going to be the list of the dividends that have been deferred. Is the minister saying that that document contains the list?

**Hon STEPHEN DAWSON:** It does. On that page, “Financial Results”, under “Revenue”, it does have the payments by GTE. So it is listed in that document.

**Hon DIANE EVERS:** Okay; I will have a look at that. I will leave it there for now.

[4.30 pm]

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**Hon AARON STONEHOUSE:** Minister, I have some questions around Streamline WA. It does not appear in here, from what I can see, but I suppose you could take it as part of the total appropriation for the department on page 151. I asked a similar question when you appeared as Minister for Environment. I will ask you the same question now. What tangible, measurable outcomes do we have from the Streamline WA program? What piece of legislation, what regulation can you point me to now to say, “That’s a change as a result of Streamline WA”, as it has been going on for about three years now?

**Hon STEPHEN DAWSON:** I will ask Mr Jones to comment, obviously from a Treasury perspective, given I gave you an answer from an environment perspective in the last session.

**Mr JONES:** Member, during the COVID period, Streamline WA was essentially suspended, but in the background, the teams at DMIRS, DWER and Treasury put together a submission to government to do a number of specific initiatives. One of those was a technical change to a number of pieces of legislation. That has gone through the cabinet process and is now being drafted. I think the intention originally was for it to be introduced into Parliament late this year, but it is still in the drafting process. From a legislative perspective, that is the main piece of work which has been approved and is being drafted and will make some meaningful difference. Other issues which were announced in a media release—there are some use of common language and also other processes and information which will be going live from 1 January. Forgive me, I am doing this off the top of my head. There is also some work where they have had workshops of regulators. One of the past issues we have had is the different treatment of processes between different regulators, and in some cases regulators sending off decisions to other regulators and it being slowed down. Some workshops have been done. There was one held a couple of weeks ago with director generals from all of the regulatory agencies and senior staff, and they are also running training out for regulators. There was also a specific funding decision in budget for SBDC. There was a pilot program originally done on streamlining local government approvals processes. That was further expanded to include another 20 local governments. I think that is in the budget paper. From memory, I think it is \$2.5 million. My understanding is that that is underway at the moment.

**Hon AARON STONEHOUSE:** If we take a step back and look at Streamline WA, how will we be able to measure its success as a campaign to reduce red tape and regulatory burden? Are there some specific KPIs that have been given to that campaign or to the steering committee or to whoever is driving this campaign that we would be able to measure this against, you know, in a year or two years or three years’ time?

**Mr JONES:** Again, I am doing this from memory, as the DGs of both DWER and DMIRS are the chairs of Streamline WA; we only provide technical support. There are a number of projects. There is an approvals project, which was being run by the two regulatory agencies, which are DMIRS and DWER. I understand DMIRS actually halved the amount of time taken for regulatory approvals. That is one KPI that you could measure there. They are also streamlining systems, so the Environment Online system, which was a joint initiative between the commonwealth and the state, that project has now been funded in the budget and been rolled out, so they are procuring for that. What you will see in that process is a reduction in time for approvals processes, because what that software does is essentially take a lot of information that is put into the federal and state approvals systems and reduces the time that a proponent will need to put their approval through, as they are not having to duplicate the information. That is another key one where you will see stuff over time as that system is rolled in. There were some tourism initiatives that went through the committee that have gone out to agencies. A number of those are making it easier in terms of land use and the approval of tourism projects. I think the key KPI for that will be the amount of time that it takes for a tourism

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proponent to actually go from idea generation to approval of the project. That will be a KPI that I suspect will be reported in the future as well.

**Hon AARON STONEHOUSE:** That sounds pretty good. What I would hope and what it sounds like you are telling me is that the KPIs are very much aimed towards the end user's experience as opposed to perhaps synergy and cooperation between agencies for their own sake. I am glad to hear that. Of course, I am very keen to see how that will be reflected in various agency KPIs. Perhaps that is an issue for the various agencies and how they report their own performance indicators and perhaps their own mindset in how they report approval times and things like that. I am very keen to see how that works out.

I have another question, this time around recovery WA. This is, I think, a very substantial stimulus of \$5.5 billion. I want to know what will be the measurement of the success or otherwise of that stimulus? Do we have a figure of estimated jobs created directly and indirectly? What component of that stimulus is directed towards job creation? How will we measure the success of this \$5.5 billion we plan to spend?

**Hon STEPHEN DAWSON:** Obviously, there is a range of initiatives in that \$5.5 billion recovery plan. There are all sorts of things like payroll exemption, payroll tax waivers, investing in tourism and building bonus grants, grants to small and medium-size payrolls. There is money to waive small business licence fees. It just depends on each initiative. Obviously, the waiving of the small business licence fees would hopefully have enabled many of those small businesses to stay open and not close their doors and not sack staff over the past few months.

In terms of the building bonus grants, obviously, what we saw earlier in the year was significant issues in the housing sector—the construction sector. This has meant that people have got the confidence, thanks to the money the state has put on the table, but also the commonwealth, to buy a house and to get a house built, and, again, keeping those companies open and building is a sign of that success. I might ask Mr Barnes if he wants to elaborate.

**Mr BARNES:** There are probably three key domains that we are testing the success of the recovery plan against, those being economic, health preparedness and social. I can speak for the economic domain. There are three key measures of performance or success that we are measuring the success of the recovery plan against. Those three measures are consumer confidence, business confidence and aggregate hours worked in the economy. They are the three key things that we are measuring performance against. There is consumer and business confidence, because in this sort of environment it is everything. If you do not have that confidence, no-one is going to spend. This is really all about in the short term rebuilding that confidence. That has happened. Like everywhere else in Australia, when COVID first hit, both consumer and business confidence dived to record lows. They have since rebounded and in WA we are back into positive territory on both consumer and business confidence in the latest data. On aggregate hours worked, we chose hours worked as the key focus rather than the unemployment rate, employment growth or other measures of the labour market, because hours worked is probably the best indicator of what is actually happening in the labour market and the data that is least polluted by JobKeeper, JobSeeker and all of the noise that is currently happening. It is also the measure that the Reserve Bank, for those reasons, focuses on the most. With aggregate hours worked, we have seen a recovery that has been much stronger than we had expected. We have recovered about 89 per cent of the initial loss in hours worked in the WA economy, which is the highest rate of recovery of all states and territories. Against those three measures, we have already seen reasonable success in the last six months.

**Hon AARON STONEHOUSE:** What portion of that \$5.5 billion is allocated to the economic limb of the recovery plan?

[4.40 pm]

**Hon STEPHEN DAWSON:** Again, there is a table on page 27 of budget paper No 3. It has the list of the various elements included in the recovery plan. You can see where the spending is happening or where the revenue is forgone, so you can work it out for yourself. The question might have been subjective in terms of the answer that could be given, so you can look at the list and see where the spending has happened.

**Hon AARON STONEHOUSE:** I suppose that what I am wondering is, from a Treasury perspective, do you look at these three major outcomes—economic, health and social—as three separate spending areas and therefore you can tell me, “Well, okay, this amount of money is allocated toward the economic category”? If that is not the case, I can look at the table, but it would be unclear to me if some of these programs are jobs programs or environmental programs. The greens jobs program from the previous hearing might be a good example of where there might be some confusion as to what the primary objective is—if it is environmental or jobs.

**Hon STEPHEN DAWSON:** Only from you, honourable member, as we worked out in the last session, but not from anybody else. I will ask Mr Barnes to make a comment.

**Mr BARNES:** In terms of expenditure, we do not have a neat and clean breakdown between those three domains because there is a lot of overlap. If you take something like the doubling of the energy assistance payment, for example, clearly there is a social objective there for vulnerable households, but there is also an economic objective in trying to get them to spend more, so it is very hard to draw a hard line between those three domains. The table that the minister referred to on page 27 of budget paper No 3 probably gives you the best sense of a breakdown.

**Hon AARON STONEHOUSE:** The last question I have then is around that employment recovery. You mentioned that we have recovered about 89 per cent of employment lost as a result of the COVID lockdown. Over what period was that recovery recorded? Was it since the beginning, from February and March, when most of the impact was felt, or was it over the more recent months?

**Hon STEPHEN DAWSON:** I am not sure. I will ask Mr Barnes to comment.

**Mr BARNES:** That recovery of 89 per cent that I mentioned was for hours worked. The initial loss in hours worked was over February to May and the recovery has been from June onward.

**Hon AARON STONEHOUSE:** The \$5.5 billion, does that include money that has already been spent through a Treasurer’s advance or through any money that was already in the operational budget of agencies, or does that represent only newly appropriated funds that will be spent for that specific recovery plan?

**Hon STEPHEN DAWSON:** Mr Barnes.

**Mr BARNES:** No, member, it is predominantly new money, but not entirely. There has been some repurposing of existing funding, if you like. A good example of that is the Lotterywest COVID-19 relief fund of \$159 million. The best way to illustrate that would be the table on page 28 of budget paper No 3, which shows that of the \$5.5 billion gross spend of the recovery plan, the net debt impact of that is \$4.7 billion. So the \$4.7 billion net debt impact would go to exactly that point—the new component of it.

**Hon AARON STONEHOUSE:** It is helpful to have. I think it will be interesting to look back on this and try to measure the impact of that \$5.5 billion, having already recovered 89 per cent of the hours worked that were lost in that initial phase. There are obviously some hours worked yet to be recovered, but it is interesting to note that most of that recovery has occurred before the big-ticket

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spending has begun and the \$5.5 billion recovery plan has been spent. It will be interesting to look back and measure the impact of the \$5.5 billion. That is all I have for the moment, Chair.

**Hon TJORN SIBMA:** Minister, I might just focus on the annual report, which is also a feature of these combined hearings. I note the Under Treasurer's message, and I think he has encapsulated it well. It has been a year of two parts. There is the performance pre-COVID or the issues that we were discussing in previous hearings pre-COVID that we have forgotten about. However, I am reminded of them on page 15 of the annual report, which outlines the busy legislative drafting workload, including legislation which has passed the Parliament. I might just reflect on the TAB (Disposal) Bill. Where are we up to in the disposal of the asset? It is not something that I have heard mention of for a very long time.

**Hon STEPHEN DAWSON:** I am happy to get Mr Jones to make a comment. Obviously, it has been an extraordinary year right across the board, particularly in this space. For a number of months, there was not really any reason to bet, and certainly there was very little opportunity for the TAB to make money given that the races, the football and everything else that they make their money from did not happen. I will ask Mr Jones if he can give an update of where things are at.

**Mr JONES:** Member, at the height of COVID, we were in the middle of a process where we had actually notified a preferred bidder of that status. We did have a reserve bidder as well, and they had both been informed. We were in the middle of negotiations, but due to the uncertainty in the financial markets and the fact that that bidder took a huge hit to their capitalisation during that period, they requested that the process be put on hold for three months. Towards the end of that three-month period, they then approached government and basically indicated that they were not in a position to purchase, and they put it to government that they would like to re-engage in the second half of next year if the government still had a will to proceed with the transaction. We, the bid committee, sent advice up to the Treasurer in his role as the ministerial sponsor of that, and that was approved, so we will literally have to wait until probably the second half of next year and the re-engage with the bidder to see whether there is any interest in them proceeding with the transaction.

**Hon TJORN SIBMA:** This is probably a leading question and I can anticipate the response I might get, but I feel obligated to ask it anyway. I imagine there is a great likelihood of the state reassessing the terms of a potential sale with a view, potentially, of revising its own view of the value of the asset. Would that be a fair assumption?

**Mr JONES:** Yes, it would, member. Obviously, we would have to do our due diligence, including our projections for revenue from the TAB. The TAB has actually been doing very well over the COVID period—a lot better than we thought it would. We would also have to look at, obviously, industry support, because that was a key issue in the deliberations in this house and the other house with the legislation. Post the election, we would probably start our team doing that due diligence again in anticipation of the contact from the bidder in the second half of the year.

**Hon TJORN SIBMA:** Thank you. Also on that same page there is reference made to the department commencing the drafting of a government trading enterprise bill. I have some related issues around that. I presume that COVID has obviously changed the legislative prioritisation; it is true equally across all departments. Nevertheless, at what stage, or what progress is being made, in drafting that particular bill? Maybe the minister can give a brief explanation about the objects of the bill and what it attempts to achieve.

**Hon STEPHEN DAWSON:** I will ask Mr Watson if he can comment on that, please.

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**Mr WATSON:** In terms of the objects of the bill, the primary object is to provide a common governance structure for government trading enterprises. At present, the governance structure for each GTE is contained in its enabling act. There are differences in the governing structure and in relation to the way in which the material transactions that those GTEs make are considered and approved by government, and there are differences in board appointment processes and the like.

[4.50 pm]

In keeping with best practice in other jurisdictions, the idea is to harmonise those arrangements to the extent that that is appropriate. The enabling acts will remain. They will contain the specific provisions required for any particular GTE given the unique characteristics it might have. We had advanced drafting of the legislation with a view to potentially having it enter Parliament in the second half of this financial year. When COVID occurred, that had two impacts. The first was that Parliamentary Counsel had drafting priorities, understandably, to deal with the impacts of COVID. That led to us basically deferring the drafting. We have now recommenced that. We also took the opportunity to basically reallocate some of our people who were working on that to assist with the department's response to COVID.

**Hon TJORN SIBMA:** Can I ask as well, because there seems to have been two actions in parallel that Treasury was undertaking—one was sort of a broader GTE reform unit or reform program. I do not know whether or not that materialised out of the decision to draft new legislation or the drafting of this new legislation was a consequence of some of that group's early work. Could you give an indication of whether or not, effectively, that GTE reform—whether there was a unit or a work line in addition to this legislation, whether or not that has been re-energised in any way?

**Hon STEPHEN DAWSON:** Mr Watson again, please.

**Mr WATSON:** If I understand the member's question correctly, he may be referring to the initial work that was done by our GTE reform team —

**Hon TJORN SIBMA:** Yes, that's correct.

**Mr WATSON:** — in terms of consultation with stakeholders, including the GTEs, around the GTE reform. That was always predicated on the adoption of a uniform umbrella legislation for the government's GTEs. That was not something that was a result of that consultation process. It was an active decision that was put to government at the time we asked for authorisation to commence that process.

**Hon TJORN SIBMA:** With respect to the consultation process that you mentioned earlier, again it is another leading question, but I feel compelled to ask it. I am talking specifically about port authorities here. Are they within the scope of the intended legislation or the broader reform for the harmonisation of governance arrangements?

**Hon STEPHEN DAWSON:** Can I answer that by saying that this legislation has not been back to cabinet yet for approval so it is probably not appropriate for us to divulge exactly what is in there and which agencies are not included before cabinet has made a final decision. So I will just park that question there.

**Hon TJORN SIBMA:** Can I chance it, perhaps, in a different way?

**The CHAIR:** Give it a go.

**Hon TJORN SIBMA:** Yes, I will give it a go. With respect to your initial stakeholder consultations, which included GTEs, were port authorities included in that consultation process?

**Hon STEPHEN DAWSON:** Mr Watson.

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**Mr WATSON:** Yes, they were.

**Hon COLIN TINCKNELL:** Through the minister, I would like to get some understanding of the tender process, if I could. At the annual report, on page 21, there is a headline regarding outcome 3 and service 3. Outcome 3 talks about value for money, outcomes in service delivery and infrastructure provision; and service 3 talks about evaluation and planning of government service delivery and infrastructure provision. My first question is: how does the department determine the value for money in a tender process if there is only one submission?

**Hon STEPHEN DAWSON:** I will ask Mr Court if he can give a response to that, please.

**Mr COURT:** Normally at the beginning of a tender process, obviously the objectives would be set as part of the criteria of establishing how the evaluation would be taken. Usually you would think that there would be a reference to whether those services are provided within government and what the cost of that service provision is and associated risks. Then any tenders that come in would be evaluated against that benchmark.

**Hon COLIN TINCKNELL:** Would that mean you evaluate similar projects of the past during that process?

**Mr COURT:** That would be possible. A lot of the extended process would have its own unique circumstances, so in a general sense, you would be looking at what the costs or gaps are in the current provision of that service and value for money would consider a range of factors, which would obviously be financial, but also I suppose other risks and other social objectives, potentially, would be part of that evaluation process.

**Hon COLIN TINCKNELL:** I understand that this is difficult, but if there was only one person putting in for the submission and you thought that the submission was value for money, or not—if you thought it was not, what would be the process then? Would you cancel the project? Would you delay it and resubmit for some more—put the net out further and submit for more submissions? What is the process if there is only one person who comes in but it is not value for money?

**Hon STEPHEN DAWSON:** Mr Court again.

**Mr COURT:** That would be all right. You would think that the evaluation committee would look at its criteria around value for money and if there were no tenders received what the response would be. Treasury is not a key department across government that is running these sorts of tender processes. I guess there are procurement rules that are set and usually administered by the Department of Finance.

**Hon COLIN TINCKNELL:** Part of the reason I ask that is because the cost of doing business has gone up and I am just wondering whether there is a turn-off point—whether it is double or triple the cost you expected or whatever. When there is only one tender, obviously it is hard to drive a good bargain, if you like. Anyway, thank you for that. My next question is back to the annual reports but on page 9. It is under the heading of social investment data resource. The project was, I quote —

... completed in May 2019. SIDR is a cross agency linked administrative database, that aims to reduce cost and improve policy outcomes, initially utilised for the Government's Target 120 program but intended to be used in the longer term for other approved research projects.

My first question is: in general, what are the early results of SIDR revealing?

**Hon STEPHEN DAWSON:** I am struggling to find where you are.

**Hon COLIN TINCKNELL:** It is page 9 of the annual report.

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**Hon STEPHEN DAWSON:** Page 8.

**Hon COLIN TINCKNELL:** Under the social investment data resource. Is it page 8?

**Hon STEPHEN DAWSON:** Yes.

**Hon COLIN TINCKNELL:** I am sorry about that.

**Hon STEPHEN DAWSON:** No problem.

**The CHAIR:** It is okay, member; sometimes there is a difference between the online and hard copy.

**Hon STEPHEN DAWSON:** I will ask Mr Andrews to make a comment.

**Mr ANDREWS:** Member, the SIDR is a link to the administrative database containing records of all young people born since 1990. It was a mechanism that was put in place to help support the Target 120 program. It does two things. It assists in targeting the cohort in particular, but also it is I guess a mechanism that will be used as part of the process around evaluation on the outcomes. In terms of how the program is actually going at the moment, we have individuals who have run the 12-month course.

[5.00 pm]

Using the SIDR, the outcomes that we are seeing are encouraging, based on the data. Again, it is only 12 months so we can only take that as a means that the intervention that is being made as part of Target 120 is resulting in encouraging outcomes for individuals that are in the program.

**Hon COLIN TINCKNELL:** And in particular, how is Target 120 going?

**Mr ANDREWS:** Sorry, member?

**Hon COLIN TINCKNELL:** Target 120?

**Mr ANDREWS:** Yes, that is correct.

**Hon COLIN TINCKNELL:** The results for that are quite good as well?

**Mr ANDREWS:** They are encouraging. The SIDR is a mechanism that is used to measure the program. What we are seeing is the outcomes for individuals that are going through the Target 120 program are obviously “encouraging”, is probably the best way to put it, using the measurements from the SIDR.

**Hon STEPHEN DAWSON:** Member, if you have got further questions on Target 120, you might think about asking them tomorrow, which is Thursday, when Child Protection are in and so they will have the policy knowledge and detail in relation to the program; so ask your questions then.

**Hon COLIN TINCKNELL:** Cheers.

**Hon Dr STEVE THOMAS:** Minister, let us start on budget paper No 3, and we will jump to page 2 that has the key budget assumptions on there. We will start right at the start. I am pleased to see that you have estimated this financial year’s iron ore price at \$US96.60, with an estimated actual in 2019–20 of \$US92.90. I am assuming therefore you have got some modelling on some variations, because I do note that 18 months ago we were discussing \$US90 a tonne as being highly unrealistic, so I am hoping that we are having a slightly more realistic view, Chair, of the iron ore price. Minister, what modelling have you got for iron ore pricing if it stays at the current price, which is about a \$US120 a tonne? I will start with that. What modelling is available?

**Hon STEPHEN DAWSON:** I will ask Mr Barnes to provide a response.

**Mr BARNES:** Member, I take you to page 55 of budget paper No 3, which has “Approximate Parameter Sensitivity of Revenue Estimates”. Table 10 on page 55 estimates the impact of each

\$US1 per tonne movement in the price of iron ore at \$83 million per annum in terms of the impact on our royalty revenue. As you would expect, we will be doing an update of the forecast iron ore price and iron ore royalties in the midyear review next month.

**Hon Dr STEVE THOMAS:** I note the Citigroup has got an estimate of \$US110 a tonne and JP Morgan \$US105 for 2020–21, so we might be looking to revamp those figures. Is it still the case, as per popular media, that the Treasurer receives a daily update of iron ore prices from Treasury?

**Hon STEPHEN DAWSON:** I will just make the point that price forecasts are mostly aligned between the commonwealth and state budgets. Our price forecast for the next few years: 2019–20 is \$US92.9, 2020–21 is \$US96.6 and then \$US64 for the three years afterwards. The commonwealth in their price forecasts have been \$US92.9 in 2019–20; \$US96.5 this year, just slightly lower than ours; and \$US63.1 in 2021–22, 2022–23 and 2023–24. The commonwealth budget forecasts the free on board—the FOB—iron ore price. WA Treasury converts this to the cost and freight, or the CFR, price using WA Treasury's assumed shipping costs of around \$US8 per tonne.

**Hon Dr STEVE THOMAS:** Minister, the last time we discussed this in budget estimates, it was the position of government and Treasury that any additional income in a financial year above estimates was generally used to reduce expected incurred debt rather than additional expenditure. Is that still the case?

**Hon STEPHEN DAWSON:** I am advised those decisions will be made as part of the midyear review, which is coming up very soon.

**Hon Dr STEVE THOMAS:** Okay; we still do not know. I keep trying!

I take you to “General Government Revenue from Public Corporations” on page 238 of budget paper No 3. We have heard in other estimates so far this week that it was a government instruction that dividends from government trading enterprises be significantly reduced in the 2019–20 year and held over to the 2020–21 year. We were given to undertake that that was a government instruction under government policy, so can we confirm that that is a government instruction first?

**Hon STEPHEN DAWSON:** I can certainly tell you that the government did decide to defer the 2019–20 interim dividends to 2020–21 and that was to reduce the pressure for new borrowings as the COVID-19 pandemic began to impact financial markets in March and April this year. During March and April, financial markets went through a period of significant disruption. The Western Australian Treasury Corporation's 10-year spreads widened to the commonwealth by over 30 basis points in less than a week. Long-term debt was difficult to raise and short-term liquidity remained high largely due to the intervention of the Reserve Bank of Australia to inject liquidity into the market. During this period, WATC increased its short-term debt to ensure ongoing access to funds. There was a significant increase in the funding needs of the commonwealth and other states and territories over this period, which increased competition for funds. This demand was increased during May and June as WATC as well as other semis looked to term out the short-term funds raised earlier in March and April. So, yes, it was a government decision and, as a consequence of those things, we did decide to defer the interim dividends.

**Hon Dr STEVE THOMAS:** Can I ask, then: the dividends that were deferred, did they sit in bank accounts in the various GTEs awaiting the call in the next financial year from government?

**Hon STEPHEN DAWSON:** I will ask Mr Barnes to answer that, please.

**Mr BARNES:** Not in all cases, member, and that goes to the minister's point that for a number of the larger GTEs that had the larger interim dividend payments, towards the end of the financial year they were projecting to actually have to borrow to meet the cash payment of that interim dividend. It was the whole point of the deferral of those interim dividends because the bond markets were in

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such a dysfunctional state at the time and we were very concerned about liquidity across the whole public sector at the time. This is back in April–May when things were pretty dire. Because some of them would have had to borrow, we wanted to keep out of the bond markets as much as we could at that time. The decision was we do not want them to borrow, therefore we will defer the payment of those interim dividends from 2019–20 into 2020–21

**Hon Dr STEVE THOMAS:** We have heard from GTEs that basically they pay an interim dividend around December generally and then sort of a final process towards the end of the financial year. Is that accurate and, if that is the case, what proportion of the expected total dividend is the interim? Is it a reasonably even split or is it more heavily weighted for one part of those payments?

**Mr BARNES:** Member, it varies from GTE to GTE. For example, the Water Corp is by far and away the most material one and its interim dividend is set at, I believe, 98 per cent of its estimated final dividend.

**Hon Dr STEVE THOMAS:** And that is paid when, sorry?

**Mr BARNES:** It was due to be paid in 2019–20.

**Hon Dr STEVE THOMAS:** But early 2019–20 because it is the interim one.

**Mr BARNES:** Before 30 June 2020. It relates to its 2019–20 performance profit, but the final dividend would normally be paid the following financial year once you know your actual audited profit for the previous financial year. But all the GTEs pay an interim dividend in that current financial year before their final outturn is actually known. The interim dividend is a proportion of their estimated final dividend. In the case of the Water Corp, it is set at 98 per cent of their estimated final dividend. Normally, that 98 per cent interim dividend would have been paid in 2019–20, but for these reasons that we mentioned about the bond markets, that payment was deferred to 2020–21.

[5.10 pm]

**Hon Dr STEVE THOMAS:** That 2019–20 payment, the example that you use for the Water Corporation, what time of that financial year would that normally be paid?

**Mr BARNES:** About June.

**Hon Dr STEVE THOMAS:** So about the end of the year?

**Mr BARNES:** Yes.

**Hon Dr STEVE THOMAS:** One last crack before we move on. It has already been mentioned, but if we go to page 27 and the “WA Recovery Plan”, there is a list of initiatives that add up to the \$5.5 billion that the government speaks about pretty regularly.

**Hon STEPHEN DAWSON:** Because we are very proud of it, honourable member.

**Hon Dr STEVE THOMAS:** I am sure you are! Can I just check, therefore, because I understand, given statements in the other place, that the government receives regular updates on these, is there any chance of getting an indication, given that we have one or maybe two weeks left of sitting—at what point do we receive an indication of how much of that spending has gone through, or do we have to wait, because even in this budget it does not appear to give us a breakdown of current versus what is still to come?

**Hon STEPHEN DAWSON:** You might have been out of the chamber at that stage, but Hon Diane Evers had a question relating to this earlier in the session. I indicated that I would happily provide as supplementary an update as at 30 September, which is the most recent date that is available to me in relation to the spend, so we will provide that.

**Hon Dr STEVE THOMAS:** So you do not get the weekly traffic light reports, potentially?

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**Hon STEPHEN DAWSON:** I think the next report may well come out in the midyear review. Information is collected monthly, but it goes to ERC periodically, so it would need to go past ERC and cabinet before it was released. So, I am confident that I can get the September one for you and it is available.

**Hon Dr STEVE THOMAS:** By the time we get it, it will be some three months out. One last little quick one, Chair, if I could.

**The CHAIR:** On the basis of that cheek, I doubt it! Go ahead, honourable member.

**Hon Dr STEVE THOMAS:** Gross state product—you mentioned in a couple of places a little chart on page 9 or you could go to the table on page 2. I note that there is probably a modest and accurate expectation of 1.25 per cent in 2020–21. It jumps to 2.75 per cent before it falls back down again. I am interested to know why there is an expectation. The fall is obviously apparent. What is the expectation of the jump in that next year before going back to what appears to be a more long-term normal result?

**Hon STEPHEN DAWSON:** I will ask Mr Barnes to provide an answer to that.

**Mr BARNES:** It is two main factors, member. One is household consumption and the other one is dwelling investment. I will deal with dwelling investment first. Because of the residential construction stimulus that is flowing through at the moment—both commonwealth and state—we are seeing a very large bring forward of activity, which is the whole point of the policy, obviously. We are seeing large numbers of land sales and large numbers of people signing building contracts right now. The expenditure, though, on those new house constructions we estimate will be concentrated in the 2021–22 financial year, so that boosts GSP growth in 2021–22. Because of that bring-forward effect, there is a subsequent drop-off in dwelling investment in 2022–23, so that helps drive that pattern in GSP. We expect that by the time we get into the 2021–22 financial year, household consumption, which is the biggest component of the economy, will start gathering a bit of momentum and pick up quite a bit in 2021–22. Then once it has picked up in 2021–22, it kind of reaches sort of an equilibrium, and then just grows steadily from that point. So you get that big ramp-up in 2021–22 and then it will just grow more steadily from that point onwards. Again, that helps drive that pattern of a pick-up in GSP growth in 2021–22 and then it moderates in 2022–23.

**Hon MICHAEL MISCHIN:** I want to ask about something that I cannot find in the budget papers. Perhaps you can point me to whether it exists and where it might be. Prior to the 2017 election, there was a Labor Party program called Local Projects, Local Jobs, which amounted to commitments, discretionary of those candidates who were running for election, that amounted to some \$39 million. That plainly was not budgeted for at the time, and despite the talk of a need for financial stringency, it had to come out of a ready-set budget and out of the budgets of various government departments and agencies. Has any accommodation been made in the current budget for a like program on the part of any government members running for election or the government itself? If there was, for example, a discretionary spend allowed to candidates of a million dollars apiece, how would that money be found if those commitments were to be met?

**Hon STEPHEN DAWSON:** The short answer is no.

**Hon MICHAEL MISCHIN:** It has not been accounted for?

**Hon STEPHEN DAWSON:** There is nothing in the budget. There is no Local Projects, Local Jobs in the budget. There is no plan to have a Local Projects, Local Jobs scheme in the budget. We cannot comment, obviously, on behalf of political parties and any election commitments that they may make at the time of the election, but certainly there is nothing in this budget about Local Projects, Local Jobs.

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**Hon MICHAEL MISCHIN:** What about an equivalent program? Let us say it was renamed as something like —

**Hon STEPHEN DAWSON:** The short answer is no.

**Hon MICHAEL MISCHIN:** — small community projects; nothing like that?

**Hon STEPHEN DAWSON:** No.

**Hon MICHAEL MISCHIN:** All right. So any commitments, then, made in the course of the next election by members of the government will not have been accommodated or budgeted for in this budget?

**Hon STEPHEN DAWSON:** Election commitments will not be made by the government. Election commitments will likely be made by political parties and then, obviously, whoever gets elected in March will need to work out how they pay for their election commitments.

**Hon MICHAEL MISCHIN:** All right. And the Treasurer has not explored whether the budget can actually afford anything like in the order of \$39 million?

**Hon STEPHEN DAWSON:** I cannot comment on what the Treasurer has explored or not, but I am telling you there is nothing in the budget for Local Projects, Local Jobs or, as you suggested, a renamed scheme.

**Hon MICHAEL MISCHIN:** All right. I know that there is nothing in the budget; I am asking how will it be accommodated if it occurs?

**The CHAIR:** Honourable member, I think you are now asking a hypothetical, and under the standing orders, hypothetical kinds of questions are not accepted in these hearings. But I will ask the minister, given that he is relatively flexible in these hearings, if he has a response, he might like to make it. But I just want to put on notice that we do not accept hypothetical questions.

**Hon STEPHEN DAWSON:** I do not have anything further to add, other than to say again: there is no allocation for Local Projects, Local Jobs or anything like it in the budget papers.

**Hon MICHAEL MISCHIN:** Can the budget afford it if there was something like a \$39 million commitment? Can we accommodate that in the budget?

**Hon STEPHEN DAWSON:** Again, we are talking about the future, honourable member, and the session before us now is the annual report and the budget and the state budget. I cannot comment. It is a hypothetical. It is in the future. All political parties, I am sure—all of us, maybe with the exception of the Greens—will make election commitments at the election, and then it will be for any incoming government to work out how they are paid for. During the election process, there is always a call on political parties to disclose how they might pay for any commitments made. That is not a decision of government. That will be a decision of political parties and then, whoever wins the election, it will be up to them to work out how they pay for those commitments.

**Hon MICHAEL MISCHIN:** I understand all of that. My only point is that every political party can make commitments and change the commitments made by the government if there is a change of government. But we have here a Treasurer who keeps talking about fiscal responsibility and only spending a certain amount that is affordable in various areas. I am just wondering, having regard to history and the amount that was committed to last time, whether any forward-thinking forecasting or any forward estimates have been made on the part of the Treasurer or the department for him. So you might want to ask the Under Treasurer and others to accommodate this in the budget.

**Hon STEPHEN DAWSON:** Just to be clear, Treasury have not been involved in commitments that the Labor Party or anyone else might make at the election.

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[5.20 pm]

**Hon MICHAEL MISCHIN:** Have election commitment costings been provided by Treasury to the government at this point?

**Hon STEPHEN DAWSON:** I do not believe election commitment costings have been provided. Obviously, on a regular basis, Treasury may provide costings for proposals from various ministers and various agencies. Certainly in terms of any commitments the Labor Party makes at the election, it is the Labor Party's business. The Labor Party will make the commitments. If it is Labor that is elected again, it obviously will be up to the government to work out how it will pay for those commitments.

**Hon MICHAEL MISCHIN:** I understand that the commitments can be made by the party and the government will or will not win office on that basis if it does, but so be it. However, it is part of the job of Treasury to provide election commitment costings. I am asking whether any election commitment costings have been provided to date.

**Hon STEPHEN DAWSON:** I am advised that Treasury can only be asked for costings for election commitments once the *Pre-election Financial Projections Statement* is released. That is due to be released in January, so at that stage parties can ask for costings to take place.

**Hon MICHAEL MISCHIN:** Parties can ask, but has the Treasurer asked?

**Hon STEPHEN DAWSON:** As I have just indicated, parties can ask. The Treasurer has not asked for costings on behalf of the Labor Party.

**Hon MICHAEL MISCHIN:** All right. My next question turns to Metronet. Can you provide me with a breakdown of the expected impact on the net operating balance and net debt for the current budget year and for each of the forward estimates for each of the Metronet projects—some of them have been dubbed “Metronet” since they were commenced by the last government—being the Byford extension, Forrestfield–Airport Link, Thornlie–Cockburn Link, Yanchep extension, Morley–Ellenbrook line and railcar manufacturing?

**Hon STEPHEN DAWSON:** If I can refer you to page 137 of budget paper No 3, under “Asset Investment”, there is a table there, table 1, on Metronet. For each of the projects linked to Metronet there is capital expenditure and the cash flow for the next few years in relation to the project. You should be able to work it out from that.

**Hon MICHAEL MISCHIN:** Budget paper No 3 does provide some commentary on subsidies that will be provided to some of the projects. Has there been any work done or commentary prepared, whether it was for inclusion in the budget papers or not, on the subsidy that will need to be provided to operate these projects into the future?

**Hon STEPHEN DAWSON:** I am told that in relation to the operating costs, the government has fully funded the rail operating costs of the FAL, Thornlie–Cockburn Link and Yanchep rail extension, which totals \$233.8 million after accounting for forecast fare revenue over the current forward estimates period.

**Hon MICHAEL MISCHIN:** So it is fully funded, but how much of that will be a subsidy in order to allow those to operate, as opposed to relying on their own revenue generated from fares and the like?

**Hon STEPHEN DAWSON:** Just to be clear, that is the subsidy.

**Hon MICHAEL MISCHIN:** That is the subsidy. Which lines were they again?

**Hon STEPHEN DAWSON:** FAL, the Thornlie–Cockburn Link and the Yanchep rail extension.

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**Hon MICHAEL MISCHIN:** And that is over what—the next four years?

**Hon STEPHEN DAWSON:** That is over the forward estimates period, yes.

**Hon MICHAEL MISCHIN:** What about for the railcar manufacturing project? Has there been any estimate or business case that reveals, once that commences, how much it will have to be subsidised by government?

**Hon STEPHEN DAWSON:** I think that really relates to portfolio matters and you would be best placed to ask that question of the Public Transport Authority.

**Hon MICHAEL MISCHIN:** That may be right, but Treasury presumably participated in that process.

**Hon STEPHEN DAWSON:** Treasury would have some knowledge of it, but it really is portfolio related so it is best that they are answerable for their own set of books and what things cost in terms of their own portfolio.

**Hon MICHAEL MISCHIN:** Madam Chair, how many more minutes do I have?

**The CHAIR:** You have two minutes left, honourable member, including the answer.

**Hon MICHAEL MISCHIN:** I note that the government announces a number of projects and tells us that they will help create an estimated number of jobs.

**Hon STEPHEN DAWSON:** Sorry, just to help me with my notes in my folder, are you referring to a particular line item in the budget?

**Hon MICHAEL MISCHIN:** No, I am not. I am asking for some information as to Treasury's model for the calculation of how much a particular project will create in terms of jobs. I will give you an example. There was a media release today about an aquaculture project, which will "help create an estimated 6 000 jobs". How are these figures calculated? I have been told previously in answers to questions without notice that it is done in accordance with some Treasury modelling. I would like to know just how it works. Is it actual, permanent jobs? Is it work for a day or an hour? What is it?

**Hon STEPHEN DAWSON:** I am told it is based on ABS multipliers. Certainly in relation to the aquaculture project announcement, it would have been the department itself that would have worked out what the job multiplier would have been for that project. In that case, it would have been DPIRD.

**Hon MICHAEL MISCHIN:** So does Treasury contribute to that assessment in any way?

**Hon STEPHEN DAWSON:** Treasury has previously issued guidelines in relation to working out the multiplier effects of projects.

**Hon MICHAEL MISCHIN:** Would it be too much trouble if I could get a copy of those guidelines?

**Hon STEPHEN DAWSON:** We are just trying to work out if they are available.

**Hon MICHAEL MISCHIN:** I would be interested to know how these estimates are arrived at.

**Hon STEPHEN DAWSON:** I am happy to take the question on notice. By way of supplementary information, I will provide that if it is publicly available. If it is captured by cabinet-in-confidence or any IC document, I will not be able to, but I note it and I will see what I can provide.

*[Supplementary Information No D2.]*

**Hon TJORN SIBMA:** Minister, if I could just pick up, please, on an answer you provided to Hon Michael Mischin regarding forecast operating subsidies as they will apply to three individual Metronet projects, which I believe were the FAL, the Yanchep extension and the Thornlie–Cockburn Link. I just want to clarify they were the three.

**Hon STEPHEN DAWSON:** You are correct.

**Hon TJORN SIBMA:** From memory, you mentioned that the global sum was \$238 million in operating subsidy, which is directly attributable to those three projects.

**Hon STEPHEN DAWSON:** Sorry, my microphone was not on. I want to clarify that it was FAL, the Thornlie–Cockburn Link and the Yanchep extension. The figure I used was \$233.8 million.

**Hon TJORN SIBMA:** Thank you. The forward estimates take us to 2023–24. My understanding, with respect to those three projects, is that obviously they are at different stages of development. I would anticipate that FAL is the one that will become operational the soonest. Can I get a sense of when those operational subsidies will commence being phased in, in which year, and to what amount?

[5.30 pm]

**Hon STEPHEN DAWSON:** We do have that information; we just do not have it at hand. We can provide it by way of supplementary.

*[Supplementary Information No D3.]*

**Hon TJORN SIBMA:** For the Morley–Ellenbrook line, has any forecasting been applied to the likely operational subsidy that will apply and when is that likely to be?

**Hon STEPHEN DAWSON:** Not yet, because it will not be operational before the end of the forward estimates.

**Hon TJORN SIBMA:** For my own baselining purposes, is there somewhere in the budget papers a clear expression of what the annual operating subsidy payable to the PTA is for its passenger train services? I think it is \$900 million or thereabouts, from memory.

**Hon STEPHEN DAWSON:** Page 236 of budget paper No 3 lists the operating subsidy for the PTA as \$901.9 million. That was for 2019–20.

**Hon TJORN SIBMA:** Thank you, minister. Effectively, what we might have, without verballing you, is a more than 25 per cent increase in the operating subsidy payable for three of these Metronet projects over the course of the next four years, is it not? It is \$233 million above. That is what I am assuming it to be.

**Hon STEPHEN DAWSON:** That \$233.8 million is over four years, whereas that \$901 million is one year.

**Hon TJORN SIBMA:** It is one year as it applies to the network operating.

**Hon STEPHEN DAWSON:** It is as it applies. That \$901 million was in 2019–20.

**Hon TJORN SIBMA:** Okay. I would therefore anticipate that by 2023–24, if I follow this, and this is not to be dense, it would be a figure of approximately \$1.2 billion for the operating subsidy.

**Hon STEPHEN DAWSON:** I am not sure. We cannot be sure of that. Obviously, we have indicated that we would provide the break —

**Hon TJORN SIBMA:** We will get to it. I appreciate the additional clarity or the commitment to provide some information around that.

Madam Chair, if I could jump to another issue in budget paper No 3. I have unhelpfully lost my page. I will get it back. It is page 139 and the details of the Perth City Deal. I am interested to understand a little more about the university relocation component there, because there is some interesting information. First of all, is it possible to provide me with some advice about whether there are any obligations placed on the universities themselves to facilitate the establishment of an inner-city

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campus or campuses, bearing in mind that the three mentioned are sitting on enormous land estates already?

**Hon STEPHEN DAWSON:** We are not the lead agency on this issue. The lead minister is Minister Saffioti and the Premier. I think you are best placed asking those questions in another session, honourable member.

**Hon TJORN SIBMA:** I will take that advice, minister. Do you think I would be able to ask the Minister for Education and Training about that? To your knowledge, has she been involved with the university dimension here because I think there is something worth asking her later?

**Hon STEPHEN DAWSON:** She would certainly have knowledge of it as the minister with responsibility for the higher education sector in the west. She was not the lead minister, but she should have some knowledge of it.

**Hon TJORN SIBMA:** I will chance my arm anyway, minister.

I refer to the initial projections table on page 11 with labour market forecasts of employment and unemployment rates across the estimates. Can the officials with the minister reflect on the likely youth unemployment rates as they apply across the estimates period; and, if so, what those figures might be?

**Hon STEPHEN DAWSON:** I think Mr Barnes can provide an answer to that one.

**Mr BARNES:** Member, we do not actually forecast the youth unemployment rate. We only forecast the aggregate unemployment rate. But I do have the latest data from the ABS on the youth unemployment rate for September. Having said that, I am now trying to find it. The youth unemployment rate in WA in September was 14.3 per cent, which is similar to the national rate of 14.1 per cent. It is still clearly an issue. In terms of the recovery of jobs since the domestic economy reopened, the recovery of youth jobs has been much lower than the recovery of jobs overall. So, it is clearly a key focus area of the recovery plan through investment in TAFEs and the like. It is an issue, youth unemployment, not just in WA but nationally.

**Hon TJORN SIBMA:** Mr Barnes earlier reflected on the volatility in dwelling investment and of the consequent state and federal interaction, I think for the good, obviously. Can I ask about the forecast decrease of 17 per cent in dwelling investment in 2023–24 coming off that higher 13.25 period? That is still a shock to the industry because there will be demobilisation and a lack of work. Have the associations sort of provided a view about how they might manage that decrease in investment over that year or whether they will be asking for a bring forward of government programs to manage that peak and trough?

**Hon STEPHEN DAWSON:** We would not necessarily as an agency deal directly with those housing associations. The short answer is: yes, we have had conversations with the housing industry. To date, we have given it what it has asked for in terms of a pipeline of work and bringing forward work. In terms of what the industry will look like in two years' time, that is really difficult to know given the volatility in the world at the moment. It is a difficult issue. Mr Barnes can provide some further information.

**Mr BARNES:** Just to add to the minister's point, the government very recently, in the last couple of weeks I think, announced an extension of the time period for the building bonus. Previously, new home builders had six months to commence construction. That six-month period has been doubled to 12 months. You have to sign a contract by 30 December this year and now have until 30 December 2021 to commence construction and still qualify for the grant. That will extend the pipeline quite a bit, we think, including into 2022–23. When we do the midyear review economic forecast, I expect

that 17 per cent reduction in 2022–23 that we had in the budget for dwelling investment will be smoothed a bit, because of the lengthening of the pipeline.

**Hon TJORN SIBMA:** Not to be obtuse, that extension until 30 June 2021 for the commencement of construction, I presume for an ordinary residential build would be just slab down. Is that about the point at which —

**Mr BARNES:** Not quite. It was previously 30 June. It has now been extended to 31 December 2021 for the commencement of construction. The definition of “commencement of construction” has also been amended from slab down to commencement of earthworks.

**Hon TJORN SIBMA:** Would that also apply to—that is fine.

**Mr BARNES:** It is an easier test.

**Hon TJORN SIBMA:** I have a vested interest in knowing that is all.

**The CHAIR:** He is declaring.

**Hon TJORN SIBMA:** Declare, declare—you can’t get me then!

[5.40 pm]

**Mr BARNES:** There is more time now to commence construction and there is an easier test of what that means from slab down to commencement of earthworks, which is all designed to try and lengthen that pipeline, ease immediate labour shortages and pressures in the industry and smooth that pattern that you referred to.

**Hon TJORN SIBMA:** Thank you.

**Hon MATTHEW SWINBOURN:** I am referring to budget paper No 3 and page 7, specifically the COVID-19 impact and recovery. As we can all remember earlier this year, the forecast for the impacts of COVID-19 on our economy were quite dire. I guess what I am interested in is what our successful steps in stopping the spread of COVID-19 in the Western Australian community has meant for the strength of our economy and how are those figures looking going forward.

**Hon STEPHEN DAWSON:** Sure, I can start. I am not sure if Mr Barnes wants to add to it. Obviously, Western Australia has done remarkably well over the past few months. The COVID-19 pandemic has had an unprecedented impact on not only the state, but also global and national economies, particularly in the June quarter when the bottom fell out of lots of things. Certainly, despite a contraction in that June quarter, we are the only state whose domestic economy grew over that 2019–20 year. It does show that the work we put in pre-COVID-19 continues to pay dividends. Our domestic economy contracted by six per cent in the June quarter. That was the largest quarterly decline on record and that was due to restrictions to prevent the spread of the pandemic. But notably, this was less than the decline in other states with open borders, which fared significantly worse. New South Wales and Victoria both recorded declines in state final demand in the June quarter of around 8.5 per cent. In comparison to many national economies where the economic and health impacts have been far more devastating, in that same quarter the UK economy contracted by 20.4 per cent, the Euro area declined by 12.1 per cent and the US economy shrank by 9.1 per cent. In comparison, we travelled extremely well.

Despite that decline in the June quarter, the WA domestic economy was the only state to record growth in the domestic economy in 2019–20, and that was growing by 1.1 per cent. This was the fastest growth in seven years, which again highlights the strength of our economy prior to COVID-19. The growth was underpinned by business investment, which grew by 9.3 per cent in 2019–20. That was the strongest annual growth since 2011–12.

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Behind our state hard border, economic activity and confidence returned faster than anywhere else in the country, and we are getting the dividends from that. Mr Barnes spoke about this earlier on, but confidence is critical for consumers to be willing to spend and for businesses to employ staff and invest. The return in confidence also boosted the retail sector. The retail trade volumes grew by 12.8 per cent in the September quarter. That is relative to the same time last year. That, again, was the strongest growth of the states and territories. The unemployment rate in WA fell to 6.7 per cent in September, the equal lowest rate of the states. Obviously, there is a lot more work to be done in that space, but so far, almost three-quarters of the jobs and more than 90 per cent of the aggregate hour lost due to COVID-19 have now been recovered. Importantly, and because we know that early on women were disproportionately affected or impacted, the unemployment rate for women is now below that of men at 6.3 per cent, so that is a significant turnaround. Further volatility in labour data is to be expected essentially because of JobKeeper and JobSeeker and as they unwind. But certainly internet job vacancies from the department of employment are at their highest level in more than six years. That is a positive leading indicator of activity.

I will just mention quickly our building bonus. That, combined with support from the commonwealth, we estimate to have protected the jobs of more than 65 000 workers, which is massive, in the residential construction sector. It has, as we heard earlier, resulted in a surge of activity. The pipeline of works for builders has almost doubled. Building approvals in September were up 73.9 per cent from the year earlier, which is the strongest growth in more than seven years, so good stuff has been happening. It has obviously been a tortuous year, but certainly we have fared extremely well in Western Australia, partly to do with good governance, but also, I have to say, a lot of it has been to do with the response from Western Australians. It truly has been an extraordinary year. We have taken away people's rights and liberties to enable us to deal with the pandemic, but we have been able to open the economy a lot quicker than other states and other places around the world, so we are starting to see the economic benefits of that.

**Hon SAMANTHA ROWE:** Minister, I want to ask my question around credit ratings. I refer to budget paper No 3, page 3, "Key Budget Aggregates". I am wondering if you are able to advise what has been the assessment by global credit rating agencies in response to this 2020–21 budget?

**Hon STEPHEN DAWSON:** Sure. I can give you that information. In fact, in the last few weeks, on 29 October, Moody's and Standard and Poor's both released their assessment of our state credit rate for 2020–21 and for the budget that year. I am very pleased to report that both ratings agencies have affirmed WA current credit rating with Moody's confirming our Aa1 rating and a stable outlook, and Standard and Poor's retaining our AA+ rating with a stable outlook. The ratings are one notch below AAA, which was lost under the previous government. It is fair to say that, as we know, we were fairly frugal in the first three years of government. Certainly that hard work has paid off in that we have been able to repair the finances, but it has also resulted in upgrades to our state's credit rating and outlook.

Moody's advice noted that the early easing of restrictions in the state, given the low number of cases, and the strong mining sector have underpinned Western Australia's rapid economic recovery past the initial lockdown phase, and we expect that the state's economy will continue to outperform its Australian peers over the next two to three years, augmented by the solid business investment projections and state government's stimulus measures. This essentially confirms what we have been saying: the efforts of Western Australians in terms of the easing of restrictions and the careful management of our border really has allowed our economic recovery to be the strongest in the nation. We have certainly had a faster recovery in confidence and jobs, but also activity across a wide range of sectors. I think that answers your question.

**Hon SAMANTHA ROWE:** Yes. Thanks, minister.

**Hon Dr STEVE THOMAS:** Minister, can I just get you to jump to the “General Government: Operating Statement”, budget paper No 3, page 183. I am just interested in the overall salary costs for the state government. Just to note there that the actual in 2019–20 was basically \$12.9 billion. It has gone up to effectively \$13 billion. It started life in 2016–17 at \$11.6 billion. By 2017–18 it was up to \$12.2 billion. It does not seem to give a good indication of FTEs to do a comparison. Can you give us an indication of how you have measured the FTEs and what those FTE numbers are? Even if it is provided by supplementary information, the comparison of FTEs and wages costs over a few years would be fantastic. You may be in a position to give us that information directly.

[5.50 pm]

**Hon STEPHEN DAWSON:** I can ask Mr Barnes to provide a response to that.

**Mr BARNES:** Thanks, minister. Member, the question on FTEs—we have gone through and, as you might expect, added up all of the FTE numbers from individual agencies and their individual budget statements in budget paper No 2. For 2020–21, we are budgeting for a 3 025 increase in FTEs compared to 2019–20. That is a 2.5 per cent year on year increase.

**Hon Dr STEVE THOMAS:** Okay. Do you have the increase for the year before as well perchance?

**Mr BARNES:** For 2019–20, 2.8 per cent.

**Hon Dr STEVE THOMAS:** Okay. So that would seem to indicate that the FTEs are going up at a reasonable level at 2.8 per cent. Do you know what the average wage increase is? I know we have a \$1 000 wage policy. Do we have that in absolute terms as to how much it increased?

**Mr BARNES:** Well, it is that \$1 000 increase, member.

**Hon Dr STEVE THOMAS:** Okay.

**Hon STEPHEN DAWSON:** No-one is getting anything other than that.

**Hon Dr STEVE THOMAS:** All right. I will just jump to that then. Minister, if we can go to one of my regular questions. On page 215 of the same document, I refer to the debt reduction account. I note with this year that the debt reduction account, as it normally does, is transferred back in this budget year. I presume it either goes back through Treasury Corporation to repay debt, and that is what is suggested for 2019–20, but in 2020–21 it is going into the consolidated fund. We are talking very small amounts ultimately, but do we have a breakdown, year by year for the last four years, of which direction those debt recovery account payments were made? Over a period of time, how much is going into debt recovery versus how much is going into the consolidated fund?

**Hon STEPHEN DAWSON:** I can give you an initial response. Obviously, in terms of debt reduction and the debt reduction account, this is an annual decision made by government as to how we use this money—whether we pay off bills or whether we seek further loans from outside. It is an annual decision. Obviously, this year has been an extraordinary year in terms of COVID-19—but what was your question again?

**Hon Dr STEVE THOMAS:** Year by year, do we have a breakdown of how often this fund has been used to retire debt versus going into the consolidated fund?

**Hon STEPHEN DAWSON:** We would not have such a thing; we would not have a coordinated document. It might be a bit of effort.

**Hon Dr STEVE THOMAS:** I will ask a slightly different question and see if we can get to that. In terms, then, of the transfer, the amount for 2020–21 is listed at—I mean, it is a significant amount—\$1.547 billion. I presume the majority of that has come from the GST floor. Is that reflected in the

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general statement of income, so if we go to the general government operating statement, and it was where we were before —

**Hon STEPHEN DAWSON:** I am told yes, it is.

**Hon Dr STEVE THOMAS:** It is included in that. So, if that \$1.5 billion has come in, would it be fair to say that without that \$1.5 billion transferred from the debt recovery fund, instead of a \$1.2 billion surplus for 2020–21, we would be looking at a \$300 million deficit?

**Hon STEPHEN DAWSON:** Member, there are many parts in a \$30-odd billion budget, so you cannot really just pick one and say, “Is it for this reason or because of this that things have ended up the way they are?”

**Hon Dr STEVE THOMAS:** Well, I can, but you can disagree.

**Hon STEPHEN DAWSON:** Yes. You can say whatever you like and I will disagree and say it is a bit more in depth than that.

Just in relation to the earlier question, between 2017–18 and 2019–20, an amount of \$1.852 billion of centrally held borrowings has been repaid.

**Hon Dr STEVE THOMAS:** Okay. Thank you. Have I got a little more time, Mr Chair?

**The DEPUTY CHAIR:** Yes, you do.

**Hon Dr STEVE THOMAS:** Minister, is the Treasurer actually retiring this time?

**Hon STEPHEN DAWSON:** Member, I would ask you to point out in the budget papers, or indeed the annual report, the point that you are suggesting and perhaps I could give you an answer then.

**Hon Dr STEVE THOMAS:** I hope you are going to buy him a John Farnham tape!

**Hon STEPHEN DAWSON:** As you would know, honourable member, the Treasurer has announced he is retiring

**Hon Dr STEVE THOMAS:** Again!

**Hon STEPHEN DAWSON:** In fact, very soon, he will be giving a valedictory speech in the other place.

[Interruption.]

**Hon STEPHEN DAWSON:** Sorry, Siri! I was not talking to you!

**Hon Dr STEVE THOMAS:** Was that a correction, minister? Has he changed his mind again?

**The DEPUTY CHAIR:** I do not know whether Hansard picked that up, but that was Siri on the Minister for Environment’s watch.

**Hon STEPHEN DAWSON:** I will take the opportunity to acknowledge the Treasurer. He has been a tremendous Treasurer over the past four years and he will be sorely missed. Certainly, he has been a Treasurer during unprecedented times, so I do want to acknowledge the fine work that he has done in helping the state get back on track and also in helping us navigate COVID-19.

**Hon Dr STEVE THOMAS:** We will take that as a yes, so thank you. I appreciate that. Perhaps one more before we give somebody else the crack. Minister, you may not be in a position to answer this, but I will try it anyway.

**Hon STEPHEN DAWSON:** And if I cannot answer, Siri might help us!

**Hon Dr STEVE THOMAS:** Well, yes. I presume that is the Treasurer on speed dial coming in.

We are still on budget paper No 3. Pages 172 to 180 are basically the breakdown of royalties for regions, whether you call it trans-subsidisation or cross-subsidisation out of the consolidated fund—

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I think the Premier has banned the first word so we will use the second one potentially so we all know what we are talking about. Does Treasury keep a measure of the trans-subsidisation that occurs out of the royalties for regions fund back into the consolidated fund?

**Hon STEPHEN DAWSON:** No. The short answer is no.

**Hon Dr STEVE THOMAS:** So you have no measurement of it?

**Hon STEPHEN DAWSON:** No, I am advised.

**Hon AARON STONEHOUSE:** I have got a line of questioning that hopefully will not take too long. I have got some questions around the better regulation unit and the new better regulation program—if there is a witness opposite the table to answer some questions about that process. I think there is because I have had questions answered by him in the past.

**Hon STEPHEN DAWSON:** Is there a line item you can give me to help me navigate my folder?

**Hon AARON STONEHOUSE:** No. It does not appear directly in the budget, but you would consider it as part of the total appropriation for the department. The regulatory impact assessment process is transitioned now to this new team and this new process, although it retains, obviously, the same features; it looks mostly the same. What I am wondering, I asked a parliamentary question, and I do not have it in front of me, a few months ago about where consultation regulatory impact statements are kept and where decision regulatory impact statements are kept, and I was told that that is the responsibility of the various agencies, so I would have to chase up each individual agency for each DRIS and CRIS respectively. However, I do note that on Treasury's own website there are a number of DRISs and CRISs kept there, and all throughout the documentation that is publicly available on regulatory impact assessment process, it is discussed as being overseen and facilitated by the Department of Treasury, although obviously the individual agencies do their own work. Is there some central repository of DRISs and CRISs that I can readily access as a member of Parliament or that members of the public can access?

**Hon STEPHEN DAWSON:** Sure. So I will ask Mr Jones if he can perhaps give some general comments about DRISs as well and then answer the specific question.

**Mr JONES:** Member, I did come prepared with your previous question in August. The short answer is that basically we are a repository of them, but the actual DRISs, which I think is your issue and we discussed that previously when I appeared in front of your committee—the actual public release of those, the ownership of those, is the agency and the minister.

[6.00 pm]

In terms of CRISs, it is common practice that they are usually put out publicly, by their nature, because they are a consultation RIS. As I answered you in the previous committee situation, it is up to the department and the respective minister whether the final DRIS is released. That has just been the practice over the years. I think I outlined at length why that is the case. We do have copies of all of them and when we are given permission by the agency, we put them on our website, obviously for transparency reasons, but the ones that you do not see, you would have to chase up with the individual agency or minister.

**Hon AARON STONEHOUSE:** I have only one other question about that process. The exemption categories to the regulatory impact assessment process, there are a few of them. I have a particular interest in the exemption category for the administration of justice. Could you explain to me what that is meant to entail? What would fall within the administration of justice?

**Hon STEPHEN DAWSON:** Mr Jones, are you able to answer that?

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**Mr JONES:** I can have a go at it, minister. There are a number of exemptions. Again, we have discussed this. Essentially, there are a couple of them. One is where it is basically in the interests of government to seek a Treasury exemption. In terms of the administration of justice, where that would specifically apply—it would be examined on a case-by-case basis through the RIS process—is if there were changes to, for example, the Criminal Code or other types of legislation that have a different priority than just reducing red tape. Obviously, the department may put up a proposal that does increase regulation or increase the burden on businesses, but it is in the public interest in that case in terms of the administration of justice that that certain piece of legislation or regulation receive an exemption.

**Hon AARON STONEHOUSE:** Okay. That was my understanding of it too when dealing with criminal law, the procedures and processes of the courts and things of that nature. The issue that I have—I do not know if you can provide some insight; I understand that you are not directly heading the Better Regulation unit in this case and may not have all the insight into it—is that the Road Traffic Amendment (Immobilisation, Towing and Detention of Vehicles) Bill 2020 was actually granted an exemption to the regulatory impact assessment process on the grounds of it being in the administration of justice. That may make sense for part of the bill which dealt with making a particular practice of wheel clamping vehicles illegal. That is quite understandable that that may fall within the administration of justice by some definition. The problem I have is that the other half of the bill, and, in fact, most of the actual operative causes of the bill, dealt with the regulation of the towing industry. The regulation of the towing industry has nothing to do with the administration of justice. In fact, it deals with red tape and regulation, which I would have thought is exactly what the regulatory impact assessment process is designed for—ensuring that when you do regulate an industry or a practice, that you do it with adequate consultation and that you understand the unintended consequences and the trade-offs and the various costs involved in that regulation. Does that sound like an appropriate use of that exemption category, or has something been overlooked here?

**Hon STEPHEN DAWSON:** You are asking the officer for an opinion and I do not think it is appropriate to be asking him for an opinion. I will let Mr Jones answer.

**Mr JONES:** My understanding—again, I did not see the exemption; that was dealt with by officers in my area—is that it is a DMIRS issue, and the Commissioner for Consumer Protection is in the public domain on that. My understanding is that they produced a CRIS for some of the proposals that they had in relation to the towing industry. My understanding—again, I may have to stand to be corrected—was that they were going through a regulatory impact assessment on that part of the future changes to the towing regulation.

**Hon AARON STONEHOUSE:** That would be news to me, but I will follow it up. Thank you, Mr Jones, and thank you, minister.

**Hon STEPHEN DAWSON:** You are welcome.

**Hon MICHAEL MISCHIN:** Does Treasury have an estimate of the infrastructure and the cost of the infrastructure that will be necessary to support the full-cycle docking of submarines in Western Australia? Has that been looked into?

**Hon STEPHEN DAWSON:** Certainly it is not in the budget papers before us. That is a JTSI issue, I am told—Department of Jobs, Tourism, Science and Innovation—so it is best asked of that agency.

**Hon MICHAEL MISCHIN:** Okay, so you are not able to say whether any money has been committed as part of the budget for developing that infrastructure?

**Hon STEPHEN DAWSON:** There has been money for the Australian Marine Complex as part of the recovery plan, but there is nothing in here specifically for full-cycle docking that we are aware of. Obviously, JTSI, as the responsible agency, has been given money over the past few years to deal with this area in general. Approval has been given to them to negotiate with the commonwealth, but obviously those negotiations are ongoing, so until we know if they bear fruit, we will not know the cost, essentially.

**Hon MICHAEL MISCHIN:** You mentioned JTSI.

**Hon STEPHEN DAWSON:** The Department of Jobs, Tourism, Science and Innovation.

**Hon MICHAEL MISCHIN:** I get confused with the acronyms.

**Hon STEPHEN DAWSON:** Jetski, as it is colloquially referred to.

**Hon MICHAEL MISCHIN:** That is what I thought you said.

**Hon STEPHEN DAWSON:** That is how I remember.

**Hon MICHAEL MISCHIN:** There is on page 131 of budget paper No 3 “Provision for Business Case Development Fund”. It totals some \$13 million and has been established to accelerate the development and completion of business cases and project definition plans for a range of economic recovery initiatives. Are you able to provide a list of the business cases that are currently being funded or are proposed to be funded out of that provision?

**Hon STEPHEN DAWSON:** We are looking for an answer for you, honourable member. I am advised that it started as a \$15 million fund and that \$2 million of it has been used. We are just trying to find out what the \$2 million was used for. I am further advised that business cases continue to come in, but, essentially, I think, a \$2 million component has been —

**Hon MICHAEL MISCHIN:** Who will decide which business cases will we assessed, or is it being supplied to departments and agencies?

**Hon STEPHEN DAWSON:** It is Treasury administered. Ministers write to Treasury asking to draw down from the fund.

**Hon MICHAEL MISCHIN:** Budget paper No 3, page 56, mentions total duty on transfers. What is the expected revenue forecast to be raised from the foreign investor surcharge for the current budgeted year and each of the years over the forward estimates? If you can tell us the number of transactions that are estimated to be liable for that in the budget and over the forward estimates, I would appreciate that also.

**Hon STEPHEN DAWSON:** On page 208 of budget paper No 3, towards the top, is a line item that relates to the foreign buyer surcharge. In there is a figure of \$19 million in 2020–21, \$18 million in the following year, \$22 million in 2022–23 and \$25 million in 2023–24.

**Hon MICHAEL MISCHIN:** All right. Are you able to give us an estimate of the number of transactions that is embodied in that figure, and why is it thought that it will increase?

[6.10 pm]

**Hon STEPHEN DAWSON:** Honourable member, I cannot. It is administered by the Department of Finance rather than Treasury. They keep that data so Treasury would not have it.

**Hon MICHAEL MISCHIN:** I see.

**Hon STEPHEN DAWSON:** Member, in relation to your earlier question about the money drawn down from the business case development fund, in answers to questions asked prior to the hearing, one was asked by Hon Diane Evers on this item. In the answer provided, it lists the agencies, the projects,

the product and the approved business case funding for all those amounts up to \$2 million. Rather than me read them out again, I will refer you to that answer. It is a comprehensive answer. I can read it out for you if you want —

**Hon MICHAEL MISCHIN:** No, no.

**Hon STEPHEN DAWSON:** Are you sure? All right. As I said, it lists the agency, project, product and the approved business case funding for 2020–21. It is all listed there, so it is a helpful list.

**Hon MICHAEL MISCHIN:** Thank you.

**The DEPUTY CHAIR:** This will probably be the last question and it is from me, which is the Deputy Chair's prerogative. My question relates to the cycle of life. I return to page 1, chapter 1, of budget paper No 3. The last dot point and the last sentence concerns the "record \$27.1 billion investment in infrastructure over the next four years". I just want to ask: on what grounds is that a record figure? Is that a record in real or nominal dollar terms?

**Hon STEPHEN DAWSON:** Nominal and budgeted, I am advised.

**The DEPUTY CHAIR:** Is it nominally because it is a larger figure?

**Hon STEPHEN DAWSON:** Yes.

**The DEPUTY CHAIR:** Okay. Would it be possible, by way of supplementary, to ask for a comparison, say, over the last 15 budget years—this is why I asked for supplementary—indicating the size of infrastructure investment by the state government with a baseline dollar allocation and an indication of the percentage of the budget, and possibly also a reflection on the size of the economy?

**Hon STEPHEN DAWSON:** Honourable member, I am advised that it would take staff a couple of days.

**The DEPUTY CHAIR:** That is okay.

**Hon STEPHEN DAWSON:** A couple of days for a staff member solely focused on this issue.

**The DEPUTY CHAIR:** I can wait.

**Hon STEPHEN DAWSON:** You might be happy to wait —

**The DEPUTY CHAIR:** Yes.

**Hon STEPHEN DAWSON:** I am not very happy to take that by way of supplementary —

**The DEPUTY CHAIR:** I will try my luck —

**Hon STEPHEN DAWSON:** — because it is an officer in an agency that has been very busy this year, who would have to be taken off another project solely for this for a couple of days.

**The DEPUTY CHAIR:** I will find another means. It is in nominal terms only; thank you.

That draws us to a conclusion. I am obligated to read the finalisation statement and I am advised that the Treasurer will commence his valedictory speech in around five minutes or so, so I will make it quick.

On behalf of the committee, I thank you for your attendance today. I remind members that due to time constraints, the electronic lodgement system will not be reopened for additional questions this year.

For witnesses, I advise that the committee will forward the transcript of evidence, which includes the questions you have taken on notice highlighted on the transcript, as soon as possible after the hearing. Responses to questions on notice are due by 5.00 pm, 10 working days after receipt. Should you be unable to meet the due date, please advise the committee in writing as soon as possible

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before the due date. The advice is to include specific reasons as to why the due date cannot be met. Thank you again for your attendance today. The chamber shall be cleansed in accordance with COVID-19 protocols. It is not an exorcism of any bad spirit or anything like that; it is fundamentally hygiene related.

**Hearing concluded at 6.13 pm**

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