

**STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

2012–13 AGENCY ANNUAL REPORT HEARINGS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
THURSDAY, 30 JANUARY 2014**

**SESSION ONE
DEPARTMENT OF THE PREMIER AND CABINET**

Members

**Hon Ken Travers (Chair)
Hon Peter Katsambanis (Deputy Chair)
Hon Martin Aldridge
Hon Alanna Clohesy
Hon Rick Mazza**

Hearing commenced at 9.34 am

Hon PETER COLLIER

Minister for Education representing the Premier, examined:

Mr PETER CONRAN

Director General, examined:

Mr GREG MOORE

Assistant Director General, State Administration and Corporate Support, examined:

Ms KATHRYN ANDREWS

Director, State Administration, examined:

The CHAIR: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to today's hearing. Can the witnesses confirm that they have read, understood and signed the document entitled "Information for Witnesses"?

The Witnesses: Yes.

The CHAIR: Witnesses need to be aware of the severe penalties that apply to persons providing false or misleading testimony to a parliamentary committee. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge.

The hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private either of its own motion or at the witnesses' request. 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. Government agencies and departments have an important role and duty in assisting Parliament to review agency outcomes on behalf of the people of Western Australia. The committee values your assistance with this.

Do any of the witnesses wish to provide an opening statement?

The Witnesses: No.

Hon RICK MAZZA: My first question is to do with sharks. Will the shark mitigation program costs affect the fisheries budget?

Mr Conran: No, it should not affect the budget. If there are issues that we need to consider, they will be considered in the budget process. We do not anticipate that it will create any difficulties for fisheries. As you would expect with all budgets, money is moved around occasionally. If we do not need to do top-ups in a particular area, we will not do top-ups in a particular area. I assume that that is the normal process and the normal process would apply.

The CHAIR: I have a number of questions regarding sharks. Is the current successful tenderer that is operating in the south west completely conforming with the tender requirements?

Mr Conran: I understand that to be the case. I have not heard comments to the contrary.

The CHAIR: Would you have been notified if it was not a conforming tender? Is it possible that it could be a nonconforming tender?

Mr Conran: It is a conforming tender.

The CHAIR: But completely conforming with provisions outlined in the original tender?

Mr Conran: That is my understanding.

The CHAIR: Does the vessel operate from 6.00 am to 6.00 pm?

Mr Conran: It is operating from 6 00 am to 6.00 pm. There are some variations around it—that is understood—and they were part of the discussions that took place.

The CHAIR: With all due respect, I asked whether it conformed with the original tender submissions and now you are saying that there have been subsequent discussions, which means that it does conform with the original tender submission.

Hon PETER COLLIER: I do not think he said “subsequent” discussions.

Mr Conran: There will be circumstances in which the successful tenderer will not get onto the water at 6 am or may have to come in to shore before 6.00 pm—those are the realities. We do not look at these issues by asking whether they got there one minute past or 10 minutes past or whatever. You have to apply some degree of commonsense in relation to these issues. That is quite normal with these sorts of arrangements.

The CHAIR: So there have been no variations to the original tender document, which did allow for bad weather and the like.

Mr Conran: Not that I am aware. I will do further checks and report back to the committee.

[Supplementary Information No A1.]

The CHAIR: Can you advise whether the amount announced yesterday for the cost of the tender is purely for the day-to-day operation of the tender or does it also include the cost if they are required to be called out after a shark sighting to monitor the shark and drop additional bait lines? Is the tender price that was announced yesterday the full price or will there be additional work on top of that?

Mr Conran: That is my understanding, but I will do a further check and report back to you if there are any variations to that. I understand that that price includes callouts.

[Supplementary Information No A2.]

The CHAIR: What alternatives were considered before going to the tender for the current cull strategy?

Hon PETER COLLIER: Before going to tender?

The CHAIR: What alternative shark mitigation strategies were considered by the government?

Hon PETER COLLIER: There are a raft of strategies within the mitigation program. We have a \$20 million program and, as I said, it is multifaceted. I will provide some documents to the committee.

Mr Conran: In a sense this strategy has been evolving since at least 2001 or 2000 and dates back to the attack at Cottesloe beach. It has subsequently been developed with heavy emphasis on research and heavy emphasis on extra patrol measures, including helicopters, jet skis and increasing helicopter patrols to the south west at periods from November to February. There has been an extensive program and quite an extensive research program in recent times. We have a \$200 000 program that is looking at shark measures on surfboards and shark shields for swimmers, which is what they are calling them now. We are looking further into those issues. We have a \$200 000 program over two years for shark shields of the nature of bubble curtains. There are acoustic nets and we are looking at another \$285 000 program on shark deterrent wetsuits. Another program looks at masking the noises made by swimmers and surfers. A beach enclosure trial is happening at Dunsborough. I mentioned bubble curtains—they include strobe lights and subaquatic sounds. We

are also checking existing shark deterrent programs. We have a \$200 000 program that looks at an algorithm-type program that is aimed at improving visual shark detection under water so that we get a clearer view of that. There are fisheries research programs, which include the effectiveness of beach netting as a shark hazard. There was a report about that and the difficulties in Western Australia with shark netting. Queensland runs shark nets plus drum lines. It has a very extensive program that goes back to 1962. New South Wales runs a very extensive shark netting program that dates back to 1932. It is well known that we have white shark monitoring programs, which have been extensive. We are looking at correlations between water temperatures and shark sightings. Reports have indicated that warming water trends over recent years have brought sharks closer to the surface.

[9.45 am]

We have got tagging programs and checking satellites and acoustics; we have got satellites and acoustic receivers there. We have got satellite recorders, support recorders and data recorders. At the moment, it appears we have got 139 white sharks tagged across Western Australia and South Australia. I note also we are spending \$300 000 on looking at electronic deterrents attached to surfboard fins. I think the devices they have got at the moment are regarded as fairly clumsy. The thought is that if we can work around the fin, that might provide some further assistance to surfers.

The CHAIR: Thank you, I might try a different way. What evidence or advice did the agency obtain to indicate that the deployment of drum lines would be a successful strategy?

Mr Conran: Well, firstly, as I mentioned before, we have looked around the world in relation to what action has been taken, and noted in particular the action taken in Queensland. Fisheries had some research done, which I think is well known, which did not favour either nets or drum lines. But if you look at the balance, what it did say is drum lines are more effective than nets. The issue was considered by the government. It was responding to what action had already been taken and what further steps might need to be taken. It made a decision that it should proceed to implement a drum line program.

The CHAIR: But I go back to my question: what evidence or advice did you receive that the drum line would be a successful mitigation strategy?

Mr Conran: We do know that drum lines do catch sharks. That is well recorded.

The CHAIR: I will ask again: what evidence did you receive that it would be a successful mitigation strategy?

Mr Conran: The evidence upon which the government based its decisions, and this is from the Premier, quite on the public record, was that he was responding to seven shark deaths in the last three years and that, to his mind, required a response. He put those proposals to cabinet and cabinet made a decision that it should proceed with drum lines.

The CHAIR: I understand that; I am just trying to work out whether there is any evidence to support that that strategy will actually be successful in mitigating shark attacks, that you have any evidence that indicates that that strategy will be successful in mitigating shark attacks.

Mr Conran: If you were to draw from the evidence on the east coast, which runs both shark nets and drum lines, you could draw a conclusion that in Queensland there has been one shark death since 1962 on the open beaches, but there have been some shark deaths in the canals at the back of the Gold Coast; and in Sydney there have been, as I recall, no shark deaths on the netted beaches but there have been some shark deaths outside the netted beaches. So that in itself was information which was considered by government as a whole in relation to these sorts of issues. There is a range of information which drew the government to a conclusion that it should proceed with a drum line program.

Hon RICK MAZZA: It is my understanding that in Queensland, particularly on the Gold Coast, drum lining has been quite successful and a number of tiger sharks and other species are taken there each year. So far in Western Australia we have caught one tiger shark. It is my understanding this program will run until around April —

Hon PETER COLLIER: That is right.

Mr Conran: Yes.

Hon RICK MAZZA: — this season, which is a very short time to assess the effectiveness of drum lining. Is the government looking at next year running exactly the same program again to try and monitor the success over a period of time?

Hon PETER COLLIER: Yes, we are. To go through to April this year and then for the summer of 2014–15.

The CHAIR: Sorry, the member just made the point that it was a tiger shark. Was it a tiger shark?

Mr Conran: I am not in a position to tell you what sort of a shark —

Hon RICK MAZZA: It appeared to me to be a tiger shark.

Mr Conran: I am not in a position to tell you what sort of a shark it is.

The CHAIR: Can anyone tell us what sort of shark that is?

Hon PETER KATSAMBANIS: I bow to Hon Rick Mazza's superior knowledge on these matters!

Hon RICK MAZZA: I would say a tiger shark.

The CHAIR: That is what everyone says except for the government agency!

Mr Conran: With respect, you do need to await the reports that come in from the fishermen at the time. There were stripes which led some people to the conclusion that it was a tiger shark. If you look at the WA Fisheries' reports in relation to shark identifications, you will see that it is very difficult to easily identify whaler sharks of which bull sharks and tiger sharks are part of that whaler family. If you want to get technical, you have got issues like peduncles on the back of the fins. So, there is a range of particular things which need to be taken into account. The information will be passed through to Fisheries at a point and if they think it is necessary to make a determination as to whether it was a bull shark or a tiger shark, they will make that determination. I think there has been an unnecessary fuss in relation to identifying what specific species this was. It has been entertaining, but it really has not taken us anywhere.

Hon RICK MAZZA: When you do catch some of these sharks, particularly the large white pointer sharks, is there any intention for those shark carcasses, for want of a better word, to be utilised by universities for studies?

Mr Conran: Not in relation to this stage. There are some complexities with our legislation as to who can handle sharks and carcasses and the like and carry out research. The Department of Fisheries have some broad powers, as I understand—I have not specifically gone and looked at the issue—which would occasionally allow them to hold a shark for research. But I am only going on information that you receive in the course of a day and I am not certain as to its complete accuracy; I am just, for the benefit of the committee, sort of outlining what I think may be an option.

Hon PETER KATSAMBANIS: Given that there is an intention to, at this stage, roll this program out again for next summer —

Hon PETER COLLIER: Continue it.

Hon PETER KATSAMBANIS: — is there any intention to tidy up the legislative requirements so that there can be significant flexibility in this area if there is a requirement for research people to look at the shark or whatever?

Mr Conran: I have spoken to my people and said we should have a look at the issue in the context of legislation if that is an issue and that process is considered to be necessary. But again that then would be a matter for government to consider. We have got legislative programs and the like, so we have got to take into account those issues as well.

The CHAIR: Can I just clarify something? When you say that there is the intention to continue the deployment of shark drum lines in the next season, is that both on south west beaches and Perth beaches?

Mr Conran: That is the proposal.

The CHAIR: So it is for both.

Hon PETER COLLIER: It is.

The CHAIR: Have you got commonwealth approval to carry it out for next season?

Mr Conran: The commonwealth approval awaits till April this year—that is, the initial approval. There is the opportunity to do a full assessment process under EPBC and that is being considered. At the moment, obviously, in my office, I have people with significant expertise in dealing with EPBC requirements. We, as is well known, are looking at an environmental approval across the Swan coastal plain, which on a day-to-day basis involves very extensive discussions with the commonwealth in relation to the operation of EPBC and how we go about the various approvals under that system. So, we are well across the processes involved in relation to that. We are comfortable that we can both put forward proposals and in a way which should enable for a licence or approval next year in relation to these issues. Having said that, I cannot pre-empt what the —

The CHAIR: Have you received any advice about the length of time it will take to receive that approval?

Mr Conran: Yes, it can take a year. But that is not necessarily the end of the process and —

The CHAIR: Sorry, take up to a year?

Mr Conran: It can take up to a year, but that is not necessarily the only arrangement that can take place. We are pulling together information at the moment. It may be an option for the federal minister to renew or give a new approval of the nature that he has given on this occasion if the requirements in relation to full detail are not available for our next season run. But we are confident that those issues can be readily worked through.

The CHAIR: Have you or the department had any conversations with the federal minister along those lines yet?

Mr Conran: The department has not had any specific conversation with the federal minister. But, as I mentioned before, we are in regular communication with the federal environment department, the federal Department of the Prime Minister and Cabinet in relation to EPBC issues generally and we do have experts in relation to this area.

The CHAIR: Because my understanding is that it is actually more likely to be a minimum of 18 months to get an EPBC approval, so I am interested on what basis you make the claim that you think it could take up to a year.

Mr Conran: That is the information that my people have and they have worked through these processes as well. That said, as I pointed out, there are potentially other options, which include asking the federal minister, if the processes have not been completed in a way which would meet his satisfaction, would he be prepared to renew that existing arrangement. He may need to consider it completely as a stand-alone issue, but that is about it.

The CHAIR: Has he not already publicly ruled that out, though?

Mr Conran: I am not sure that that is the case.

Hon PETER COLLIER: The minister?

The CHAIR: The federal minister.

Hon PETER COLLIER: The federal minister—I have not seen that.

The CHAIR: I think you will find if you go and check, minister, I think he has on radio in WA publicly ruled out granting a second one and indicated that it required a full environmental assessment. I am intrigued to know as to why we have not commenced that. If we do know that ultimately we will need that, why have we not commenced that process, knowing that it will take, even on your basis, up to a year?

Mr Conran: For a start, one of the critical pieces of information we will need to support that application is getting the data from the field of the trials we are now doing, because that is the critical piece of information. They will want to know what is the impact on the shark fishery. Is that impact significant? If we look at the impact over the last three or four days that we have been operating, we have a tiger shark. That would appear not to be a significant impact in relation to the numbers of sharks of that nature in that area.

The CHAIR: What other work then is being undertaken to identify the impact on the shark fishery, because surely it is not just a case of counting the number you catch? If you are trying to identify what the impact on the shark fishery is, you would have to be undertaking other research. What is that other research and how much has been allocated for that?

[10.00 am]

Mr Conran: As I mentioned previously, we have got very significant data in relation to sharks within the fisheries department. Obviously, we will put together that information. We have a lot of data in relation to commercial fishing stocks. We have a lot of data in relation to the stock of sharks, fish in the sea. The commonwealth itself has mountains of data. It is a question of bringing that data together and putting the best case forward in relation to what is happening now.

The CHAIR: Are you doing any research, based on that data you already have, to identify the impact the shark drum line deployment is having on that shark stock?

Mr Conran: As I said, the critical piece of information is how many sharks are taken. That will tell you; if we have 10 000 sharks and we have taken three, that is a critical piece of information. If we have 10 000 sharks and have taken 8 000, that is a critical piece of information. That is the sort of data —

The CHAIR: I also wondered what impact it would have on the breeding stock if you were trying to monitor its impact.

Mr Conran: I am certain they will be as well.

The CHAIR: Who?

Mr Conran: The Department of Fisheries has that sort of data.

The CHAIR: Have they been given resources to specifically undertake research to identify the impact on the shark fishery?

Mr Conran: I am not sure whether they have. I will get some further information in relation to that issue, but one would assume that that will be one of the tasks. One of the things we try not to do in government—this has been a problem with all governments—is when someone picks up another little task and says, “We need another \$100 000 to do that task.” If we went about government that way it would be purely ridiculous. We have a lot of challenges because people say, “We’ve got a new program; we need more money.” You do not need more money; you adjust your programs as you go along. If there is a genuine need, you address that genuine need.

Hon ALANNA CLOHESY: If that is the case, what has been reduced in priority to replace that? If you are shuffling your priorities, what has dropped off the priority list to make this a higher priority?

Hon PETER COLLIER: I do not think we can actually answer that. Ultimately, it is up to the department to make those determinations and decisions about what is required. In administering the relevant department, you find that is the situation. What the director general says is entirely accurate. We often say we are trying something new or we need more money or more resources et cetera. It is like a bottomless pit, and you sometimes say, “No; you just need to redirect your resources in a particular area and make that your priority.”

Mr Conran: And do not attend a conference.

Hon ALANNA CLOHESY: It would be good to find out what direction has been given and what priorities have been changed.

Hon PETER COLLIER: As the director said, we will get back to you on that.

[Supplementary Information No A3.]

Mr Conran: That is not a question that can be answered. When you put together a department budget you are moving money around all the time. I might say to our people, “Look, I think there’s too much conference travel going on”, although not much conference travel goes on in our department, “Pull that back a bit because I want to push more money into this research program.” It is not a question of saying which program will be cut; it is how you will cut your cloth to meet what are the real demands in your office.

Hon PETER KATSAMBANIS: Mr Conran, in your exchange with Hon Ken Travers in relation to the EPBC processes, I think you highlighted an overriding concern that goes beyond just this issue and it is a concern that is expressed to me every single day—that is, the time lines and the cost of the series of environmental approvals. In the lead-up to the recent federal election there was discussion about streamlining that process through COAG and looking essentially at giving the states a stronger say in these processes. Can you outline to us what work has been done to at least make a start on cutting back these time frames and these costs?

Mr Conran: There has been very extensive discussion with the commonwealth in relation to the issue. While I was not at the meeting, my deputy and senior staff met with the commonwealth last week, I think it was. The commonwealth is now coming to Western Australia, which is a great thing, so we have been engaging with them in relation to the approvals process, how we might get a much more streamlined process. In a sense, we are somewhat advanced because of the work we have been doing in relation to the Swan coastal plain and the negotiations with them. We have been identifying the difficulties in relation to meeting commonwealth compliance standards and their understanding from our perspective of the on-costs of requirements under the EPBC act. I think the discussions have been very useful. It is quite clear that the commonwealth’s intention is to move to a one-stop shop. Their intention is that the states be that shop. The commonwealth has been clear that they want to maintain the highest standards and compliance within all the arrangements that are in the EPBC act. That presents some challenges but they are not insurmountable and you would think some goodwill and good discussion will get us to a point where they are satisfied that what we do here is sufficient for their purposes. They are obviously working with all the other states in relation to the same issues and we are in regular contact with the other states to see how things are going so we get some alignment in approach. There is a commitment to do it and we are committed to ensure that we can do something that overcomes some of the duplication and huge cost that is involved in some of these issues.

Hon PETER KATSAMBANIS: Is there any time frame or deadline for this matter to be resolved, because I think experience tells us some of these matters can start with the greatest goodwill in the world and keep going and going?

Mr Conran: No; there is not a specific time line. We will be reporting back to COAG at its next meeting. I do not think the date for that has been set but it will be somewhere around midyear I assume, so they will report back. It is quite clear that this has very high-level support at the federal level. PM and C are specifically involved in negotiations. That tells me they have been told this is an absolute priority and they are working closely with the federal environment department as well.

Hon PETER KATSAMBANIS: Does it look like it will require legislative change? Obviously, the complexities of the Senate might —

Mr Conran: We are not sure at this stage whether it will. I think there may need to be some amendments to the EPBC act. I am not sure whether there will be any requirement for amendments to our legislation or regulations. There may be, but I just do not have all that detail in front of me at the moment.

Hon PETER KATSAMBANIS: Fair enough.

The CHAIR: I want to clarify your view that there is a possibility of getting an extension of the current arrangement beyond 30 April. Have you seen the correspondence from Mr Hunt that approved the order?

Mr Conran: Yes, I have, but I do not have it in front of me.

The CHAIR: I have a copy electronically in front of me and the last line says that this exemption applies until 30 April 2014. It says that any extension of the action beyond this date would require a referral and assessment under the EPBC—the Environment Protection and Biodiversity Conservation Act. Do you have any information to suggest that the view of the minister has changed since he provided that letter to you?

Mr Conran: No; but my interpretation of a letter like that is that it is possible for a government to apply for an exemption. If an application is made for an exemption, that has to be considered. That is normal administrative law. He has expressed a view that says, “I will require a full assessment”, and that is correct. We will be seeking to do a full assessment but that does not prevent us at a later stage from saying that we do not think this will be finished in time; we will apply for another exemption. If we apply for exemptions, I assume they will be considered. If they are not approved, they are not approved, but these are issues that will be looked at. The critical issue here is the impact we do have on stocks. Of course we do have to take into account that these programs, albeit started much earlier, are in existence in Queensland and New South Wales and have been in existence for a very long time. I cannot speak for the federal minister, but you would be advising a federal minister if you were an adviser to the federal minister to be aware that these issues are around as well: “Yes, here is the information we so far have got from Western Australia in relation to the full clearance; they have made another application for an exemption. You do need to consider that on its merits.” I am sure that the federal minister will consider it on its merits and I am not suggesting one way or another what position the federal environment minister might take. I know the federal environment minister; he is a very considered fellow and he will operate according to advice and make up his own mind.

The CHAIR: The problem I think you will have with the Queensland example is that the Queensland drum lines have never been subjected to environmental assessment under the EPBC act because they actually predate it, so it is not that you can argue that they have had an environmental assessment, is it?

Mr Conran: No, but I think the point has been made by at least one minister here that it seems a little strange that you could have both netting and drum lines in Queensland and netting in New South Wales but say we are not going to allow any drum lines in Western Australia, even if on an exemption basis. That is more commentary —

The CHAIR: If they have been assessed and approved in the process that would be a logical argument but if they were in place because they predated the enactment of that legislation, I think that is a slightly different argument.

Mr Conran: It is a slightly different argument, but it is equally an illogical argument that might be put and has been put by people, but that is into the area of comment and debate and perhaps it is not an area I should really be getting into.

The CHAIR: You could also argue in terms of, as you mentioned, the Swan coastal plain assessment that we have already cleared lots of land for housing so why are we not allowing more clearing for housing. The land has already been cleared and then we got approval.

Now that the Department of Fisheries will be operating the metropolitan drum lines, has fisheries been provided additional resources to do that?

Mr Conran: Not that I am aware. Again, they have boats; they use them and they will move their resources as they see fit. I can do some further checking on the issue.

[Supplementary Information No A4.]

The CHAIR: I am intrigued to know about their metropolitan-based offshore resources. I know they have different classifications of boats but I am particularly interested in their larger offshore boats. How much of their resources will have to be deployed to this strategy and will they apply the same rules in setting the drum lines at 6.00 am, remaining there throughout the day and checking them again at 6.00 pm and being available to drop drum lines if there is a sighting of a shark?

Hon PETER COLLIER: We might take that on notice.

Mr Conran: We do have backup arrangements for Fisheries. There is an extensive marine fleet, as you know, in government, both in transport and police. Police respond occasionally to these. We do not seek to use police boats but Transport has vessels. There have been discussions between agencies about what arrangements might be needed if required.

The CHAIR: Surely we should be able to get some idea of what that is today. I cannot imagine the decision to cancel a tender and then require Fisheries to do it was not done without the director general having some idea of the impact that would have on the Fisheries' fleet.

[10.15 am]

Mr Conran: As I said, we will take that on notice and provide any additional information that we have.

The CHAIR: But I just want to be clear. Are you saying that you do not know what the impact on the Department of Fisheries is? That was not something that you were aware of when the decision was taken to give Fisheries the job?

Mr Conran: Personally, I am not. I do have staff who have worked extensively on this area. I will talk to them and see if we can provide information as quickly as we can to this committee. I do know that there have been discussions with other agencies in relation to how we might support Fisheries if there is any particular requirement. I have been in discussion with and, in fact, I have written to the Department of Fisheries and asked it specifically if they would be able to undertake this task. They have written back to us and said specifically they can undertake this task.

The CHAIR: All right; if you can provide that further information and if you could also provide us with copies of that correspondence that you just referred to as part of that supplementary information, I would appreciate it.

From what you are saying, I take it that there is an intention that Fisheries will be supplemented by Department of Transport resources in terms of implementing the metropolitan drum lines. Is that what you are saying?

Mr Conran: No. If there is a requirement for a support boat from Transport on rare occasions, it might be a rapid response-type boat in relation to shark sightings or issues; that will be looked at. But I would prefer to get you a more comprehensive piece of information in relation to that issue rather than speculate.

The CHAIR: All right; we can have that as additional information with respect to supplementary information A4. When do we expect the fisheries department to deploy the metropolitan boats?

Mr Conran: This week.

The CHAIR: What has been the holdup? Why have they not deployed them earlier?

Mr Conran: I think there are some issues in relation to getting hooks, making sure we have everyone ready and making sure the boats are in position—essentially that.

The CHAIR: In terms of the original strategy being implemented back in early January, did we not have the hooks then?

Mr Conran: In early January we were getting the hooks and drum lines made up. The government announced a strategy in December.

The CHAIR: Yes.

Mr Conran: Since then we have been taking all of the necessary steps to make sure we have all of the right equipment and all the tenders in place.

The CHAIR: But the government originally set a date for when it was going to implement this strategy. I am just trying to confirm that at that stage you had not actually secured the hooks that were required for the strategy.

Mr Conran: These are specialised hooks.

The CHAIR: I understand the complexity of it, but I am just surprised that a date was set if you did not have the hooks and you did not know whether you were going to have the hooks.

Hon PETER COLLIER: I think that was anticipated.

Mr Conran: That was a target date.

The CHAIR: A target date; but at that stage you did not have the hooks.

Hon PETER COLLIER: They were being made.

The CHAIR: It is a simple question.

Hon PETER COLLIER: It was at Christmas–New Year when I think everyone has a bit of down time.

The CHAIR: I was just trying to clarify that. Do we have sufficient hooks for the second part of the strategy and if a shark is sighted additional drum lines will be laid in the area of those sharks?

Mr Conran: I understand that to be the case.

The CHAIR: So we do have those hooks now?

Mr Conran: I understand that to be the case.

The CHAIR: We have them for both the metropolitan and the south west?

Mr Conran: I understand that to be the case.

Hon RICK MAZZA: At the moment you are catching sharks over three metres, and it seems to be quite an expensive and controversial issue to catch these very large sharks. Has any research been done or is there any intention to look at catching smaller sharks or opening up fisheries? Obviously small sharks grow into very large sharks and something that might be under three metres this year will be over three metres next year. Catching, I suppose, the end product, if you like, that will

continue to propagate may be something that may not be so effective and may be expensive. I am just wondering whether we are actually looking at catching maybe smaller sharks or opening up fisheries to mitigate the problem.

Hon PETER COLLIER: At this stage I would doubt it. I do not think that is the case. At this stage it is three metres and above.

Mr Conran: There have been no proposals considered at this stage in relation to those issues.

The CHAIR: Do the Fisheries boats already have guns on them?

Mr Conran: I am not sure in relation to that issue, but I would imagine there are guns. As to who are the specific people who hold them and what are the licensing arrangements, I am not sure. I can get some detail in relation to that and report back.

[Supplementary Information No A5.]

The CHAIR: Just finally in this area: how many conforming tenders were originally received for the metropolitan drum lines?

Mr Conran: I think there were 10 tenderers. How many were conforming is another issue. The conforming requirements included having firearms licences, the right sized boat and the like. I do not have that precise detail. I did not carry that out. I am always a little bit reluctant to get into the tender discussion because there are tender requirements and confidentiality. To the extent that information can be provided, I will seek to provide that to the committee.

The CHAIR: I will make that supplementary information A6, but I will also ask for a copy of all the tenders that were submitted and all the documents used to assess the tenders.

Mr Conran: Assuming that is appropriate, there is an option in relation to FOI that would allow consultation to take place. I am not looking to avoid the question; however, in that regard, noting that there have been some threats used against people who have put in tenders, I would want to be satisfied that the committee understands the security issues around that. I am certain they are, but I just want to emphasise that that is an important consideration in relation to these issues.

Hon PETER COLLIER: Could that information be private?

The CHAIR: You can certainly request it and I am sure if there are reasonable grounds given for why you want it to be kept private the government committee will look at that.

Hon PETER COLLIER: Yes; we can look into providing that information and put that request in or otherwise.

[Supplementary Information No A6.]

The CHAIR: Did the successful tenderer in the south west also tender for the metropolitan area?

Hon PETER COLLIER: I will have to come back to you on that. I think the answer is no, but I will just have to come back to you on that.

[Supplementary Information No A7.]

The CHAIR: Why did the tenderers pull out?

Hon PETER COLLIER: I can only speculate and I can only go by that. Speculation is that there was an enormous amount of public outcry and as a result of that threats were made, from what I understand.

Mr Conran: I think the reporting is accurate; there were direct threats made.

The CHAIR: How many reports have been made to the police about those threats?

Mr Conran: We advised the police in relation to that matter and that is a matter for the police.

The CHAIR: Have the actual people who were threatened made complaints do you know?

Mr Conran: That is not a matter that I can speculate on; that is a matter between the police and any complainant.

The CHAIR: Were all of the people who pulled out threatened?

Mr Conran: There was one person who pulled out. There were other tenderers and, as has been reported I think, some tenderers were contacted by the activists. I do not know the details of any threats that may or may not have been made to those people. I am only indicating to you what is largely in the public arena.

The CHAIR: To the best of your knowledge there was only one person who was actually threatened and then they pulled out.

Mr Conran: No; that is not correct. I am clearly aware of one threat. I do know that some other parties came under pressure. I cannot speculate what was the nature of that pressure or whether it was threats or otherwise. I am not going to say there was only one person threatened because I simply do not know.

The CHAIR: Was any additional security offered to the potential tenderers to give them comfort? Were there any discussions with tenderers to offer security?

Mr Conran: Any person usually gets the security that they may require; that is, police are always interested in ensuring that people can go about their business lawfully and if there are any risks that they deal with those issues. I do not go into any issues that police might do on an operational basis. The tenderer made it clear that he did not think he could proceed. We did not want to place any further pressure on him to say, “We will give you X, Y and Z; will you still proceed?” Indeed, if we had, we presumably would have had to look at the whole tender process as well.

The CHAIR: Or done an amendment for all the tenders. You are not aware of any reports that have been done. Are there any additional resources being provided to Fisheries with regard to security of its officers?

Mr Conran: I am not going to speculate as to what actions are taken in relation to security for agencies, crews and the like.

The CHAIR: The final question I have is: you have not really explained to us why, as part of the tender process, one of the requirements for the vessels was that it was possible to enclose the rear of the vessel with a tarpaulin or similar cover.

Mr Conran: No.

The CHAIR: Are you happy to take that on notice as to what the purpose of that requirement was as part of the tender?

[Supplementary Information No A8.]

Hon MARTIN ALDRIDGE: I would like to ask some questions in relation to “Significant issues impacting the agency” on page 58 of the annual report.

Mr Conran: Could you just bear with me for a moment—page 58 of the annual report?

Hon MARTIN ALDRIDGE: Yes; you probably do not need to make specific reference but that is where my questioning is going to be. The third paragraph relates to departmental support for the establishment of a new ministry in a new Parliament. Director General, are you aware that at least two members of Parliament do not have electorate offices nearly 12 months on from their election?

Mr Conran: I am most certainly aware of one; there may be two. Kath Andrews may be aware of the second one. I am looking for inspiration from Kath as to whether she is aware of the second.

Ms Andrews: There are two members that I am aware of.

Mr Conran: Shane Love and —

Ms Andrews: Jacqui Boydell.

Hon MARTIN ALDRIDGE: They are the only two in the Parliament to the department's knowledge.

The CHAIR: I guess that depends on how you define having an electorate office as opposed to temporary arrangements.

Mr Conran: That is right.

Ms Andrews: As I understand it, they have temporary arrangements in place.

Mr Conran: I do know that we have been in discussion with Shane Love—even yesterday—in relation to the challenges in matching the wishes of a member to the electorate office and where they would like it. Everyone—all of you—have views and requests and we try to meet as many as we can, but sometimes it is very difficult. We work within some cost parameters. I think that is understood, certainly by Mr Love. I am not across Ms Boydell's position.

Hon MARTIN ALDRIDGE: Are you then satisfied that the department has done all that it can within a timely manner to address the situation with those two electorate offices?

Mr Conran: I would always like us to move quicker, but if you understood all of the complexities, certainly in relation to Mr Love, you would understand some of the difficulties that we have had. It is not a situation I would regard as acceptable, but I am not going to apportion where responsibility lies because there is a whole range of complexities in relation to those issues; that is, what is the cost of fit-out and what are other available premises. Bear in mind that when electorates or members change, we may have had a premises which is no longer suitable, but we have to continue the payment of those rents in relation to those premises for the term of the arrangement we have. Wherever possible we would like people to stay in the previous member's electorate office, but that does not work all the time. We try to accommodate it as best we can.

[10.30 am]

Hon MARTIN ALDRIDGE: So you mentioned that temporary arrangements have been put in place for those two members without an office. Can you tell me what they are?

Ms Andrews: Mr Love is sharing an office with another member in Geraldton. I am not sure what the situation is with Ms Boydell in terms of that. I think she has some offices at home in Port Hedland.

Hon MARTIN ALDRIDGE: I assume there would be a cost saving to the department by not having to lease two electorate offices over the past year.

Ms Andrews: We are leasing electorate offices. Ms Boydell refused to go into the Tom Price office used by the previous upper house member Jon Ford. At this stage we are paying that lease and cannot get out of it until 2017. We continued to pay the lease in Moora for Mr Love until about a month ago. The department continues to absorb continuing costs.

The CHAIR: When was the lease for the Tom Price office renewed?

Ms Andrews: The arrangements were made in 2012 for four years.

Hon ALANNA CLOHESY: For which member?

Ms Andrews: Jon Ford.

Hon PETER COLLIER: For the mining and pastoral area, and that is one of the issues. I understand the frustration and I have spoken to Jacqui about it, but very frequently a member takes over from another member—often the member is from a different party but not necessarily so, because it occurred with me as well. The new member wants his or her own office and wants it yesterday. I am not being patronising but I am saying that they evidently and quite legitimately want their own office. As was pointed out, sometimes if a lease exists on the previous office, it is

very difficult to make that shift. Just as an example, I wanted to move my office. When I took over in 2005 I thought that the north metropolitan area was being ably represented by Hon Ken Travers in Joondalup, so I was very keen to move to Warwick.

The CHAIR: Can I get you to sign the *Hansard* on that comment?

Hon PETER COLLIER: I had to wait until the lease on my property ran out before I moved to Warwick.

Hon MARTIN ALDRIDGE: Office sharing is a short-term arrangement but at the agreement of the other member because it is the other member's electorate office and he or she is allowing the new member to occupy it. Having to have staff work remotely, I understand that those two members are incurring reasonably significant costs in their own right. They do not have access to telephone lines, fax machines, photocopiers and all of the other resources provided in an ordinary electorate office. Has the department had a conversation with those members in terms of helping to assist them with some of those services, the costs of which would otherwise be borne by the department?

Mr Conran: I know there was a discussion with Shane Love yesterday but I do not know the extent of it. I specifically asked our staff to look at his needs with regard to staff. I was very keen to come to a conclusion in relation to the office. The Leader of the National Party, Mr Redman, has spoken to me about the issue and we have regularly communicated on how we can assist with these issues. I hope we can resolve the issue quickly because it is unsatisfactory for people to not have what they need, within reason, to support their electorate.

Hon MARTIN ALDRIDGE: Will you endeavour to have a look at what out-of-pocket expenses or expenses the department might be able to help out with in terms of some of the running costs that would otherwise be borne by the department?

Mr Conran: I will do what we can within our restrictions and requirements. If we can assist them, we will, but I have to be careful with what we can and cannot do because if we do something for one member, another member will want the same.

Hon MARTIN ALDRIDGE: But that is exactly my point. You are doing it for the rest of us and you are not doing it for them.

Mr Conran: I think the circumstances are a little different. What I am endeavouring to say is that we will try to support them to the greatest extent possible as quickly as possible and get them operational in a way that the rest of you are operational.

Hon MARTIN ALDRIDGE: Can you provide the committee with a list of all new electorate offices established since the 2013 state election including refurbishment costs and, in the case of the relocation of an existing member's office, the reason for that relocation?

Mr Conran: Yes, we can do that.

[*Supplementary Information No A9.*]

Hon MARTIN ALDRIDGE: If the relocation of the existing member was approved whilst an existing lease was in place, can we also include in supplementary information A9 the related circumstances of the leases?

Mr Conran: We may want to consult with members because what we might think is the reason that relocation occurred, may not actually be the reason. It is a sensitive process.

Hon ALANNA CLOHESY: I understand that in each case members were communicated with in writing by email expressing why that might be —

Hon MARTIN ALDRIDGE: I understand members had to submit a business case to the department, so I would have thought that reasons for relocation would be quite clear.

Mr Conran: We will provide that, but I would like to be in a position where we can inform members, “This is the information we have; do you regard that as accurate?” I do not want to dump that on a committee and have a member ring me up and say, “Well, why did you do that and why didn’t you consult with me?”

Hon MARTIN ALDRIDGE: This is another question you might want to take on notice. For each electorate office provided by the department, can you please provide the committee with the lease costs, the member to which the office is assigned, and the expiry of each of the lease agreements?

Mr Conran: Yes, we can provide that.

[Supplementary Information No A10.]

Hon RICK MAZZA: I refer to the asset investment program on page 79 of the budget papers. Funding was allocated up until 2012–13. There is actually nothing in the estimated expenditure or in the forward estimates so I wonder how that will be funded. We have listed computer hardware, software programs, electorate office fit-outs and electorate office upgrades, but there is no funding forward of 2012–13.

Mr Conran: I will get Greg Moore to answer that question. Just before he does, we get some recurrent funding across the board, which takes into account the issue of equipment upgrades for other than things like photocopiers. I think they come out of capital, but some of it generally comes out of recurrent, but I will get a more lucid answer from Greg.

Mr Moore: In the build-up to an election year—that was 2012–13—we try to scope in relation to electorate boundary changes, and obviously this comes from the WA Electoral Commission. We try to get some sense about an office in an electorate that might be outside the boundary, and we start scoping up those sorts of issues around what we need to do. In doing that, DPC has to rely on other agencies—for instance, the Department of Finance through the Building Management and Works section of that department—to get its consultants on board to do scoping about the availability of offices outside of that boundary. We then try to put together a business case in terms of a budget as to what might well collapse into in subsequent years. In 2012–13, we were not able to put a real handle on that other than to signal to Treasury that we might need to get some additional funding as a part of the midyear review process and then leading into the 2013–14 budget. That was not secured at that particular point. With the election and the change of members et cetera, we are now dealing with the setting up and refurbishing of some offices and setting up of new offices. Again, we have signalled to Treasury about the actual costs, and we will be seeking supplementary funding from Treasury towards the end of this financial year. At the moment, those costs may well continue into the 2014–15 financial year so there may have to be a further top-up beyond that.

Hon RICK MAZZA: So you have to find funding for those forward years. I also note that the decommissioning cost of the Office of Shared Services seems to be higher than the upgrading costs of the offices. Why are the expenses so high for decommissioning?

Mr Moore: The decommissioning cost for DPC was in the shared services environment. Again, working with the Department of Finance where the Office of Shared Services was a unit, the actual cost for us to migrate from what was then the existing financial package that was run from shared services was put at a certain cost for DPC to go out to tender to find a subsequent financial system that we could transfer onto. That is part of that capital cost that was given through a business case through to the Department of Finance, along with all the other agencies having to migrate out of shared services. Some of that cost in there is residual capital cost in terms of we now have a system, but we need to still have some further grunt within that system to do reporting et cetera, and the money is there for that purpose.

Hon PETER KATSAMBANIS: On the whole electorate office issue, I am lucky enough to be in an office, albeit beyond its useful life and I cannot see constituents in that office, so I am not in the same situation as my colleagues who do not have an office. But through the process that I have been

through, a number of questions have arisen. Do you think the system that we have for administering both the selection of electorate offices and then managing them is as efficient as it could be?

Mr Conran: Nothing is ever as efficient as it could be. There is a lot that could be done to improve this situation with electorate offices. We could apply some much harder rules to where a member should or could go. It would be far more efficient if every member was told that they will go to their last member's office, but boundaries change. It is a complex area that probably needs some improvement, but we are all facing and dealing with a range of budget issues. Perhaps we need a better system to understand the needs of members collectively, but one of the problems with that is that I can assure you it will cost millions of dollars to meet the needs of members. If you ask someone about improvements, they generally come with a cost.

[10.45 am]

I am not trying to be disrespectful there; it is just that people would like to see an improved office. Certainly we would like you to have an office where you can feel comfortable to see your constituents. They are issues we have to look at. Whether you can look at them collectively or whether you have to look at them on an individual basis, I am not sure what the best answer is. I have two people who have been dealing with the issue for 20 years; probably, in Kath's case, nearly 20 years.

Ms Andrews: Twenty years this year, I think.

Mr Conran: Kath would be more qualified to speak to those issues, but I am not sure it is a discussion that benefits from an open discussion here. These are issues I would happily take on board for discussion.

Hon PETER KATSAMBANIS: I think it is something that requires MP feedback, especially people who would have been through the process of changing office. In my own particular case, I deal with an officer at DPC who then deals with an officer in Building Management and Works, who then brings along a leasing consultant, who then also brings along a raft of people. If you consider an electorate office to be no different to any small to medium business, to me that looks like a lot of overservicing, a lot of cost, that could be eliminated if MPs were empowered; given some sorts of parameters, "This is your upper and lower limit for your lease; your upper and lower limit for your shop fit-out." I am sure I personally could bring my new electorate office in much below budget without that duplication and in particular narrow down the time frames for both selection and then completion. It is only through that experience that we have had coming in to Parliament that we pick these things up, which is why I asked: has any consideration been given to streamlining the process? I am looking at saving money rather than investing further funds into something that seems to be a little bit overcooked.

Mr Conran: We are going through a process of program evaluation now. You have raised a few issues and they are the sorts of issues we will have a look at and see what can be done. As to what process you would set up, I am not sure. What you have suggested—that is, members who have suggestions—I am sure we are happy to take them on board. We have to remember that we have got to make sure we are running the electorate offices as efficiently as possible. I do not want to employ another 10 people to work through these issues, but there has to be a way we can get feedback from you. I agree with your comments; that is, we over-regulate ourselves to the nth degree. Sometimes you just have to sit back and query: why are we doing this? Why do we have all these requirements? They come back to things like tender arrangements and the like. That is what the government imposes, and all governments impose, upon itself.

The CHAIR: With good reason too.

Mr Conran: For good reason, yes. We have to somehow strike the right balance. I do not think we are there but we cannot go the other way of having no protections in place.

The CHAIR: So members are aware of my intention, we normally try to have a break halfway through the session. When we finish a set of questions, we will have a five or 10-minute break.

Mr Conran: We are happy to go on.

Hon ALANNA CLOHESY: In addition to the list that Hon Martin Aldridge asked for, is it possible to supplement that with those offices that are known to have asbestos and other hazardous material?

Ms Andrews: We would not have that information.

Hon ALANNA CLOHESY: You do not have that information about the standard and quality, and hazardous —

Ms Andrews: No. It would require another million dollars to go and inspect every office to see if there was asbestos.

Hon ALANNA CLOHESY: Even though that asbestos is known to the department?

Ms Andrews: It is not known to the department. We do not know what is out there unless you are going to do an inspection.

Hon ALANNA CLOHESY: Even though the member may have raised that with the department that there is asbestos present in their office?

Ms Andrews: Not that I am aware.

Hon ALANNA CLOHESY: That has not been raised with the department?

Ms Andrews: No.

Hon ALANNA CLOHESY: Ever?

Ms Andrews: Not that I am aware. It has not come through my desk.

Mr Moore: Perhaps if I could jump in. We have access to some registers of managing asbestos. Again, I would have to defer to the Building Management and Works unit of the Department of Finance. Where there is a public building, if there is known asbestos or a history of it, we need to be aware of that. There is a register that we as an agency, along with the public sector generally, have to report year by year in terms of updating and keeping up to date that information. We can find out that —

Hon ALANNA CLOHESY: Even when a member has raised directly with a departmental officer from the Department of the Premier and Cabinet that there is asbestos present in their offices, you would not have a record of that?

Mr Moore: I would have to have the detail to go looking for it—member A, office B—so that we could actually go and look at where that was.

Ms Andrews: As far as Mr Moore and I are aware there has been nothing raised with the entitlements and transport branch, which is our main area of contact. We have a PEO maintenance email. It has never been brought to my attention.

Mr Conran: We will go back and have a look at that issue. My assessment is that this information is more likely to be held in BMW so that if we got a report we would pass that to BMW. They would make some form of assessment that people usually make in relation to: What is the nature of it? Where is it? How could it be dealt with? Is it safe, et cetera?

The CHAIR: I will give that a separate number, A11, rather than incorporating it into A10 because of the nature of the comments that have been made.

[Supplementary Information No A11.]

The CHAIR: I suggest to members that in light of some of the comments it might be worth asking the same question again this afternoon when we have Finance in, which would cover Building

Management and Works. Hopefully, between the two agencies, one can provide whatever information you would have. If we ask the same question, whoever is the most appropriate agency if you could liaise with them and they can send it back as their supplementary information.

Hon PETER COLLIER: They will probably say DPC knows!

The CHAIR: That is why I am making it very clear that we will ask the same questions. We expect the agencies to talk to each other.

Mr Conran: It is definitely Finance!

The CHAIR: It might be novel, but we would like to.

I know how much you enjoy estimates, Mr Conran, but we do have a policy of having a brief break. We might have a five or 10-minute break for members and come back.

Proceedings suspended from 10.52 to 11.04 am

The CHAIR: We will move on.

Hon RICK MAZZA: I am looking at page 80 of the budget papers. You have got income from the sale of good and services, which amounts to approximately \$1.5 million a year. I am a little curious to know what they are.

Mr Conran: That is the State Law Publisher—a riveting collection of statutes. Unfortunately, the demand has dropped, so we are not making the millions that we used to in relation to it. Electronics have clearly changed the issue, so that is going to be a diminishing amount.

The CHAIR: Can we expect a paywall on the SLP website?

Mr Conran: Why not!

Hon RICK MAZZA: What would the “Other revenue” on that same item be?

Mr Moore: Some of that would be revenue collected as a result of the senior officers’ vehicle schemes where there is a contribution. Again, I should really check that with the CFO of the agency, but that would be my initial reaction. That sort of revenue comes in and it is treated as revenue because they are employee contributions for the entitlement to use a vehicle.

Hon ALANNA CLOHESY: Can I move on to other significant issues for the agency, in particular Scitech? Has the new business case for Scitech been completed?

Hon PETER COLLIER: Do you mean for the transfer?

Hon ALANNA CLOHESY: For the new building.

Mr Conran: I would have to come back to you on that issue. I will just check with our Office of Science. I think the answer is no, but I would like to come back to you in relation to that.

Hon ALANNA CLOHESY: Has a location been selected for the new building?

Mr Conran: I would like to come back to you on that. There has been mention of a location. I think the Premier may have mentioned a location, but I would just like to come back to you on that issue.

Hon ALANNA CLOHESY: Has the budget for the new building and the location—the projected cost for the development of that—been worked on?

Mr Conran: Again, I will get some more detail in relation to that. I think the government has indicated a figure and it is in the budget papers somewhere in relation to what it should be, but I do not just have it at hand and I would like to come back on that.

Hon ALANNA CLOHESY: That would include the projected cost for the development and the reference in the budget papers. That would be handy as well.

Mr Conran: It would include the cost that the government has determined it will make available.

Hon ALANNA CLOHESY: Assuming that there is a projected budget, when will that money be allocated? When will it be released?

Mr Conran: We will seek to provide that data as well. We will take that on notice.

Hon ALANNA CLOHESY: Assuming that a business case has been done, which you are going to find out for us, a copy of that business case would be useful, too.

Mr Conran: Yes.

[Supplementary Information No A12.]

Hon ALANNA CLOHESY: I just noticed on the Scitech building there was a sign “Cut here”. I just was not sure whether that meant cut the Scitech budget or whether there was a program on at Scitech at the moment about cutting.

The CHAIR: It is very appropriate.

Hon MARTIN ALDRIDGE: Page 80 of the annual report has notes to the financial statements. The first section on that page talks about the depreciation of assets and lists four categories in which the department assets are given an estimated useful life. When an asset reaches the end of its estimated useful life, what action does the department take?

Mr Conran: I will take that on notice and come back to you on that issue, unless Greg has got an immediate answer.

Mr Moore: Not really. I do know that we do try to keep to that in terms of what is good practice for financial treatment of these issues. It is a bit beyond me in terms of not being the CFO. But, having said that, I also know that it is not unusual in the government environment that we do hang on to equipment longer than what is a nominated depreciation life.

Hon MARTIN ALDRIDGE: If it is still fit for purpose.

Mr Moore: If it is still fit for purpose; if it is still working—things like photocopiers and some small printers. Although the issue we have then is you have got, in some cases, licences that you need to maintain and if a manufacturer moves on to a newer model, they do not really want to know you if you are still hanging on to a 10-year-old machine.

Hon MARTIN ALDRIDGE: So it would not be uncommon for the department’s asset register to have a series of assets with a zero dollar value because the asset has been depreciated but it is still fit for purpose.

Mr Moore: Correct, although we have very few assets on our register because, again, the government dictates what is an asset and what is not. An asset register is anything literally above \$5 000 and, in our case, that really is more to do with multifunctional devices or photocopiers-cum-scanners-cum-printers as opposed to what everyone might think are desktop computers or laptops. They are not treated as assets. They are what we call attractive and portable items, which is a different list.

Hon MARTIN ALDRIDGE: So \$5 000 is the threshold to be considered an asset.

Mr Moore: Five thousand dollars is the accounting standard that we, along with, as I understand it, most government agencies, work to what is an asset.

Hon MARTIN ALDRIDGE: Of those four categories, there would not be a lot of furniture, plant, equipment and computer hardware that would exceed that threshold.

Mr Moore: Yes, you are probably right.

Hon MARTIN ALDRIDGE: I understand that the laptop computers issued to members of Parliament are now overdue for replacement. Could you identify in the budget papers the funding allocated to that project? Page 79 of budget paper No 2 is your asset investment program.

Mr Moore: It is in—again, I know there is no figure there—the 2013–14 program of \$41 000.

Hon MARTIN ALDRIDGE: It would have to be more than that.

Mr Moore: Correct, but what we are doing is working on a program. They were due to be replaced, we were hoping, through the winter session in 2012–13. That did not occur, so we are now heading towards probably 2014–15. In doing that, there is a working group looking at a combination of not only laptops, but iPads around that, so that is still work in progress.

Mr Conran: If I might—I will do some checking—if you look at page 81 under “Non-current Assets”, you have a figure in relation to property, plant and equipment. I think I mentioned at the start that some of these programs are run on a recurrent basis, and you can see that reflected there. We would seek to draw down some of that money as well, as I recall.

Hon MARTIN ALDRIDGE: Perhaps you could take on notice the total amount of funding allocated to that project and over which budget years funding has been allocated.

Mr Conran: I am not sure whether we will be able to give you that detail because I do not think we allocate a specific figure; that is, we look at a period of time, what are the various requests and demands coming in and then draw from whatever buckets, for want of a better description, we have to fund those issues. That may include some supplementary funding we might pick at a particular time. We do not isolate a particular area and say, “We have allocated that for that area; that is all that is going to go there” et cetera. We spread these issues across the agency.

Hon MARTIN ALDRIDGE: So it is flexible.

Mr Conran: It is flexible.

Mr Moore: It is flexible, although I can indicate our IT people working on the project have a notional amount of about \$2 000 per member. As I say, that is for a combination of iPad–laptop type. In doing that, there are a couple of options within that mix that they are working on.

Hon MARTIN ALDRIDGE: Is that just hardware costs or does that include implementation and FTE staff?

Mr Moore: That includes just the hardware. It does not, to my knowledge, include the service cost, bearing in mind this equipment needs an ISP provider.

[11.15 am]

What we are finding generally is that we like to go to a figure of about \$50 per month per device, but obviously that does not always meet the needs of the user. We are having to negotiate that depending on and bearing in mind there are some issues with connectivity et cetera depending on those devices. But as I said, a ballpark figure that we are aiming for is about \$2 000 per member.

Hon MARTIN ALDRIDGE: On page 79 of budget paper No 2 under the “New Work” section there are two line items—“Computer Hardware and Software” and “Electorate Offices Equipment Upgrade”. Can you provide on notice an explanation of what each of those categories will provide in those budget years?

Mr Moore: The computer hardware and software is principally for multifunctional devices, such as scanners, photocopiers and printers. It is a rolling program over a five-year period. That would be—I can confirm this is your wish—one year’s tranche of that five-year program.

Hon MARTIN ALDRIDGE: It is obviously a fairly lumpy program because there is half a million dollars this year and \$2 million in 2015–16.

Mr Moore: I am not sure what the 2015–16 figure will be other than —

Hon MARTIN ALDRIDGE: It is \$1.949 million.

Mr Moore: Again, I would have to take advice from our CFO as to what is built into the asset replacement program.

The CHAIR: Can you provide a breakdown of the expenditure under the new works asset replacement upgrade under the headings “Computer Hardware and Software” and “Electorate Offices Equipment Upgrade” over the forward estimates? Also, can you provide on notice what action the department takes when an asset reaches its estimated useful life?

[Supplementary Information No A13.]

Hon MARTIN ALDRIDGE: What is the department’s policy with the implementation of the national broadband network and its offices throughout the state when the NBN becomes available?

Mr Conran: I am not sure I can answer that question. It goes to a whole range of policy issues. I am not supposed to get into those issues. There is a lot of complexity there.

Hon MARTIN ALDRIDGE: I am not asking you to comment on government policy; rather, I am asking you what that policy is.

Mr Conran: When the NBN is ready and we know the extent of it—and as it is developed—we will look at those issues. We as a department have not sat down and asked what it means for an electorate office if the NBN goes here or there and whether there will be upgrade requirements and at what cost. We have not reached that stage.

Hon PETER KATSAMBANIS: Neither have they.

Hon MARTIN ALDRIDGE: That is not true.

Mr Moore: I will throw into that mix that what we have been finding of late—again going back to the location of electorate offices—is that seemingly is the last issue that members really want to address in terms of choosing an electorate office. What we have found is that regardless of their wishes, when our IT people go out to that new office, we find that because there is a micro-dish or a tower that is different, we are having to spend more in terms of those connection service costs. In some cases we are using fibre, but that is not NBN. If there is NBN in a local area, we may be able to do something. But we do not wait for the NBN or consider what it means for us. It is a matter of: here is an office, how do we get connected? In some cases where they have been connected, the performance was not up to scratch, so we have had to spend more money on connection upgrades.

Hon ALANNA CLOHESY: Is that upgrade for the equipment that is in place in electorate offices?

Mr Moore: No, it is more to do with the connectivity and the location of microwave towers and serviceability. Again, we have to deal with our communication contract through the service net and we get advice. In some cases, it has come down to paying for more fibre and more capacity in the line to get to that office.

Hon MARTIN ALDRIDGE: So the department does not have a policy of not connecting to the NBN. As the NBN becomes available in proximity of departmental offices, an assessment is made of the ability to connect at that time.

Mr Moore: As the director general said, we have no firm policy one way or the other. I am not sure where NBN has been rolled out across Western Australia. If it becomes an issue, yes, we could well get some benefits of that connectivity. If it is not, we do the best to do what we need to do to get that connection and make it serviceable and workable.

Hon PETER KATSAMBANIS: Is DPC the lead agency for the native title settlement in the south west?

Mr Conran: Yes.

Hon PETER KATSAMBANIS: Where are we at with that progression? The Premier made some comments in recent days.

Mr Conran: Our target date for agreement is midyear, but I expect it will take a little bit longer. The representative group needs to go through extensive consultation with their community. That is

always challenging, but they are getting there. From the government's perspective, we have the things in place that we need to have in place. We are looking at the issues in relation to legislation and what that might be to get there. We have been in correspondence with the commonwealth as to what its intentions are in relation to supporting that claim in a financial way. We have identified with the commonwealth that there is opportunity to use the Indigenous land fund, which was established under native title legislation in 1996. The corpus of that fund was \$1.2 billion. I think that corpus is now around \$2 billion. There is opportunity to draw down some of that money, noting the comments at the time of Prime Minister Paul Keating who indicated in part that ILC funding had been set aside for those Aboriginal groups. He specifically indicated that the groups in south west Western Australia who may not get native title would benefit from that fund. The laws have moved on considerably since then and they succeeded with a native title claim, but lost on appeal. We are taking an alternative approach. If that did not succeed, one would assume that they would put in a native title claim. We think there is a case for the commonwealth to assist in the contribution. All in all—probably the minister is even more up to date than I because he may have had further discussions—it has been going fairly well in terms of the issues. It is a pretty tough and difficult negotiation, because we are doing something that has never been done before in Australia and of a size that has never been contemplated. If we can pull it off, it will provide a lead around Australia.

Hon PETER COLLIER: You are entirely correct. It will be nation building. It will be a sensational outcome if and when it does occur. I am very confident. The progress that has been made and the dialogue between government and the lead group has been very, very productive and harmonious. As always there are disparate groupings within the signatories to the agreement. They are being a little problematic, but it is not something that we cannot overcome. I am very confident that we will move forward this year. It will be quite substantial as we move forward as a nation with us in Western Australia leading the way.

Hon PETER KATSAMBANIS: Excellent. I look forward to it. In relation to the discussion with the commonwealth about a possible contribution from the commonwealth, are you in a position to indicate the flavour of the response? Have they been considering the request or dismissing it offhand?

Mr Conran: Look, they are not saying no, but they have not said yes yet. I think they are going through a whole range of issues. My reading of it is: it does not impact on their budget bottom line because it is existing funds. You have got to look at money in and money out and how that is treated, but my recollection of commonwealth financial arrangements is that that should not hit their bottom line.

Hon PETER KATSAMBANIS: Although some recent examples with the way the future fund is treated, inflows and outflows have come into budget, so it is always a bit of an esoteric debate with federal Treasury, I understand. Irrespective, a pool of funds is already there and they do not need to fund new funds.

Mr Conran: That is right.

Hon PETER KATSAMBANIS: An area of particular interest to me is in the science area. The SKA is coming, but funding has been allocated for the International Centre for Radio Astronomy Research over the forward estimates. Is that separate from the SKA or part of it?

Mr Conran: I will have to take that on notice. In a sense it is a complementary operation. ICRAR is a stand-alone arrangement with enormous data research going on. I would like to provide some further information and, if the honourable member would like it, I can happily arrange a briefing on that issue.

Hon PETER KATSAMBANIS: I would appreciate that, thank you.

Mr Conran: That may avoid the need for supplementary information.

Hon PETER KATSAMBANIS: That would be helpful. I am happy with that.

Hon ALANNA CLOHESY: I will stay on science. I note that former Chief Scientist, Lyn Beazley, completed her term in December. Is that right?

Mr Conran: Yes.

Hon ALANNA CLOHESY: Has an announcement been made about her replacement?

[11.30 am]

Mr Conran: Not yet.

Hon ALANNA CLOHESY: When might we expect an announcement on that appointment?

Mr Conran: I cannot give a definite answer. We are going through a process at the moment. There have been some discussions with the Premier in relation to that issue. There have been some broader discussions with the science community as well. I would hope it is soon. A pretty hard act to follow.

Hon ALANNA CLOHESY: Yes, indeed. We are at the discussion stage about the role of the Chief Scientist—is that right?

Mr Conran: We are at the discussion stage, yes.

Hon ALANNA CLOHESY: Right, so no approaches in regard to appointment —

Mr Conran: I am not keen to discuss those issues because when you are discussing appointments, you do not really like to be talking about them until such time as announcements are made.

Hon ALANNA CLOHESY: The point in the process is important, though, whether there has been a process commenced other than general discussions —

Mr Conran: It has most certainly commenced.

Hon ALANNA CLOHESY: — and the length of time that process might take. You usually have an indication of how long those kinds of appointments take. Will it be done before the next budget? Will it be done before the end of the year? Will it be done in the next couple of months?

Mr Conran: I think the objective would be to have it done as soon as possible. “As soon as possible” means before the budget, I think so, but it depends upon availability of people. It is a highly important, very prestigious position.

Hon ALANNA CLOHESY: Hence my interest in the role.

Mr Conran: You want to get the best quality person who has got the availability to take on that task. The quality and availability do not necessarily come together, but we are working on that.

Hon ALANNA CLOHESY: I understand those processes very clearly, yes, but I did want an indication that the formal process was underway.

Mr Conran: It is underway.

The CHAIR: Will they have a marine science background by any chance?

Mr Conran: Do you want the other 30 speculations? I continually get told who is going to be going to what position regularly, and I will find out one day!

The CHAIR: I just get told!

Mr Conran: We should swap!

Hon ALANNA CLOHESY: How much was allocated in the budget for the office of the Chief Scientist in the 2013 budget and out years?

Mr Conran: Could I come back to you, unless Greg Moore can answer that definitively?

Hon ALANNA CLOHESY: We have got the budget papers here if you wanted to point to them.

Mr Moore: Bearing in mind there was the transfer from where the Office of Science resided from Commerce, we did get that money transferred over. I am hesitant to give it a figure in case that is wrong. I am happy to supply that, though.

Hon ALANNA CLOHESY: Can we take that on notice?

Mr Moore: Yes.

Mr Conran: Yes.

Hon ALANNA CLOHESY: And the budget reference as well as the out years.

Mr Moore: Yes.

[Supplementary Information No A14.]

Hon ALANNA CLOHESY: Just as a reference for you, there was a question in the Legislative Council last year about the funding and the out years, so I would just like to see.

Mr Conran: We will try and be consistent.

Hon ALANNA CLOHESY: Just a little point, because my next question was the guarantee of ongoing funding, particularly since the transfer to the office, at its current levels or more, particularly since its transfer, but also since the Premier has actually said that science is really an important portfolio.

Mr Conran: We will provide you with the information. I will make a comment. The previous Chief Scientist's circumstances ensured she was available very, very extensively and travelled widely, promoted science. We are at a slightly different phase now and the availability of such people to do exactly what Lyn Beazley did in some outstanding fashion is there are not too many Lyns around. So, it will look a little bit different; I am sure the next Chief Scientist will take a slightly different role. I am sure you have got to match what they think they can contribute and they are factors we will have to take into account.

Hon ALANNA CLOHESY: I understand the possible change in role dependent on the candidates, but really what we are looking for is an understanding of the commitment to ongoing funding for the office at current levels.

Mr Conran: I can assure you of the commitment to science and to the office. An indication of that commitment is the Premier is now the Minister for Science and the Office of Science is now within the Premier's department.

Hon ALANNA CLOHESY: There is no ongoing commitment to funding at current levels?

Mr Conran: There is a commitment to funding. I am not here to give any commitments into funding because these are budget issues.

Hon PETER COLLIER: That is right and that will be a consideration for the forthcoming budget and subsequent budgets. But, as the director general has said, the Premier has taken on the responsibility for science for a reason—his interest in it and —

Hon ALANNA CLOHESY: In fact he said, "I think a big part of WA's long-term future is elevating science and the application of science right across the economy."

Hon PETER COLLIER: It is true and it is the same in our education system as well. One of the biggest areas that we have got to focus on, as far as we are concerned—one of the biggest issues we have—is science teachers and the promotion of science in a very generic sense.

Hon ALANNA CLOHESY: Would you like to outline what the government has done to elevate science and the application of it across the economy?

Hon PETER COLLIER: I can talk from my perspective as a chalkie, as a teacher, if that is what you would like.

Hon ALANNA CLOHESY: I would like to talk about it in terms of the portfolio.

The CHAIR: Something a bit more current would be useful—sorry!

Hon ALANNA CLOHESY: So in terms of the annual report perhaps, what has the government done to elevate science?

Hon PETER COLLIER: From DPC?

Hon ALANNA CLOHESY: Yes, particularly since the portfolio has been taken into the Premier's department.

Mr Conran: As I said at the start, the Premier has taken over the science role. We have had roundtables with eminent scientists and the Premier has had discussions with them as to what they see as the needs of science. As a consequence, we will develop up some plans in relation to those needs. Just in relation to sharks, you can see the enormous amount of money going into some research funding in those areas. If you look at the work around the Kimberley science and conservation strategy, that is an incredible program which is really focused on a marine science aspect. The health research funding is there. There has been a lot more coordination. I know I am this afternoon going to visit —

Hon ALANNA CLOHESY: Sorry, which health service funding? Are you talking about the community —

Mr Conran: I am going to the Parker Centre. I will come back to you. I know I am this afternoon going to the Parker Centre to meet with people there, so I will get a better understanding of what —

Hon ALANNA CLOHESY: So that comes out of the Office of Science budget now?

Mr Conran: No, it comes out of the government budgets, but in a sense we are coordinating the science effort across government. You cannot just look at the Office of Science and say, "That's science", because we have got science in a whole range of departments. What we are trying to do is coordinate the spend across agencies but then coordinate it with the research agencies themselves where a lot of effort could be made to avoid duplication and that is something that I know the scientists are focused on, as is government.

Hon PETER COLLIER: Again, it is not relevant to this hearing, I have got to say, or to science; I will not waste the hearing's time. But the changes that we are making, and it is relevant to science, to WACE at the senior secondary level for next year will have a significant impact on the uptake of science subjects, and that is the intense science and maths in particular. Those students that are currently sort of taking the easy option, it will provide more options for them from 2015 and 2016. But I will have a chat to you about that later; it is not relevant to this hearing.

Hon RICK MAZZA: Just on the Kimberley science and conservation strategy, on page 42 of the annual report, as major achievements you have stated the creation of the Eighty Mile Beach Marine Park. Can you tell me whether there has actually been a management plan for that marine park? Has it been funded?

Mr Conran: I will take that question on notice. I know the management plan was being worked on. Where that has got to, I am not sure. But management plans, in the end, end up with funding as well, so agencies, whether it be DPaW or Fisheries, will then be responsible for allocating funds to fulfilling their roles in there. Again, getting back to my earlier comments, whether that is specifically new funding or better allocation of existing resources, I am not sure is the case. I am just —

Hon RICK MAZZA: Can we take a question on notice on that to find out the details of that, Mr Chair?

[Supplementary Information No A15.]

Hon RICK MAZZA: Also under that section you talk about the great Kimberley marine park, which, as I understand it, is quite an extensive marine park. What are the objectives of actually putting those marine parks in? It is an enormous area and, as I understand it, marine parks are quite expensive to manage. What are the objectives? What are we trying to achieve by establishing these marine parks?

Mr Conran: My understanding of the marine park is to in effect create a marine reserve conservation zone. Some multi-use arrangements have been built in to a few of these zones. This is—I have not visited that area for many years—one of the most beautiful and pristine areas, certainly in Australia if not the world. I think the government's view has been that this is an area worth preserving, but doing it in a way which allows for appropriate use, whether it be in the context of tourism, recreational fishing. There has been some commercial fishing arrangements there, albeit limited. I cannot recall the specifics of them because I have not looked at that issue for some time, but a whole range of catering for interest groups has been taken into account. The broader strategy underneath the marine park is to complement that with a series of reserves and parks and linkages between those on land so that, first, you do preserve the land. Second, you provide an experience for visitors, you provide some opportunities for the Aboriginal communities in relation to small business and we develop a real tourism and conservation experience in the area.

Hon RICK MAZZA: We are talking about thousands of kilometres of coastline —

Mr Conran: Vast.

Hon RICK MAZZA: Has there been any costing done on what it is actually going to cost to manage this area? I understand the preservation side of things, but the pressure up there would be very low in any case. Have any costings been done? I would imagine it is going to be an enormous cost to try and manage that vast area.

Mr Conran: A budget has been allocated to that and that is in that sense the cost, plus it will be borne by broader—how an agency, whether it be DPaW or Fisheries or another agency, might actually manage their assets in that area. They will use their budget funds. I think it is hard to give a definitive figure beyond what the budget allocations are, but additional funds have gone into those areas to support the program, but that in itself is not the end of what an agency might actually spend in an area supporting the programs.

[11.45 am]

Hon RICK MAZZA: Has any science been done on that area to suggest that a marine park is necessary? Has science been done to say it is under threat and there is a requirement to protect the area or is it just something that is a bit of a feel-good?

Mr Conran: This is a matter properly considered by cabinet and cabinet is always wise, and made a wise decision, I am sure, as the minister will confirm.

Hon PETER COLLIER: That would be the environment minister in particular.

Mr Conran: As I understand it, this was also supported by the opposition, but it may wish to have gone further.

Hon RICK MAZZA: Reading between the lines, the science is not really there to say it is under threat at this point.

The CHAIR: Science as good as the shark cull science!

Mr Conran: I can assure you that extensive scientific work has been done throughout the Kimberley over a long, long period. This program will mean further scientific assessment is done of the area.

Hon RICK MAZZA: I move on to the release of barramundi into Lake Kununurra, a \$700 000 restocking program. I congratulate the government on it, it is good to see that sort of thing going on.

There was an election promise to look at Wellington Dam as an inland fishing hub. From memory, about \$600 000 has been allocated to Wellington Dam to become an inland fishing hub to research what other species could be released into the dam to make it a community resource. Has any work been done on that?

Mr Conran: I will have to take that on notice. I am not sure it is specifically a matter that Premier and Cabinet is looking at. It may need to be a matter I refer to someone, unless you are going to tell me I have it in my annual report, but I do not think I have. I will in a sense take it on notice, but —

Hon RICK MAZZA: Can we take it on notice?

Mr Conran: — I recognise that someone else may have to provide that information.

[*Supplementary Information No A16.*]

Hon RICK MAZZA: It was reported in the *South Western Times* prior to the election as something that the government was going to undertake and there was a lot of interest in it.

Hon MARTIN ALDRIDGE: I refer to page 73 of budget paper No 2, where there is program rationalisation savings of \$4 million over this budget year in the forward estimates. Can you provide a breakdown of those budget savings?

Mr Conran: I think they are already identified, in a sense; the money has gone. The responsibility for the agency is to look across its agency to see what savings we can make across the agency in relation to a whole range of programs. It is known that we are also looking at parliamentary electorate offices in relation to areas where potentially savings can be made. I have written to members and I think the President and the Speaker have also written to members about proposals that we have put forward—probably more than proposals—saying how we would like to handle issues, albeit we have invited members to come back to us if there are particular difficulties in relation to handling those issues. We are looking at electorate offices, but we are looking right across the agency in relation to rationalisations we can make.

One of the issues we are looking at is the various processes we have within our own agency. Hon Peter Katsambanis identified some of the processes embedded into what we do. One of the things we are trying to do is look at our own processes and ask why we are doing that. You will find that on some occasions we will reach a judgement where we do not need to do that anymore. That presents actual savings for us.

Hon MARTIN ALDRIDGE: Is the budget saving measures that were announced on 31 July by circular to members of Parliament in relation to their relief staff included within that \$4 million global figure?

Mr Conran: Yes, but again we have adjusted that circular. I perhaps should accept the criticism that I was premature in relation to that circular. We could have handled it better and had more consultation with members about that matter, but they are the challenges we are facing. The funding of electorate offices has been a challenge to us for some years. Traditionally, we have just absorbed a lot of that with various efficiency dividends that I supported very strongly. Our ability to meet them by pulling back other parts of the agency is more limited, so we are looking for some savings in those areas if we can get them.

Hon MARTIN ALDRIDGE: I fully appreciate the part of that circular where you said the department had been providing the work without the attached budget funding to be able to do so. Who did the department consult before issuing that circular on 31 July?

Mr Conran: We provided a copy of that to the Speaker and the President and we subsequently sent it out. I think there was a misunderstanding and I think the Speaker and the President had indicated that they thought it was a fait accompli. It was probably written in a way that suggested that, so that was my error. I should have realised that. There had not been adequate consultation with them and, more specifically, there had not been adequate consultation with members.

Hon MARTIN ALDRIDGE: The circular mentions, as I just said, that you were providing essentially a service to members that had not been budget funded. Does that mean the department had sought budget funding to continue to provide the staffing at that level?

Mr Conran: We sought budget funding and I think the department has for many, many years sought budget funding for electorate offices. We have been topped up on occasions. Over the years, we have had \$1 million in top-ups. The remarkable thing is that every top-up we get is exceeded. I think there are 195 FTEs in parliamentary electorate offices. We get an additional six FTE supplementary funding to take into account reliefs. While we might have 195 FTE at any one time, we will have 240 people. We then have to handle all the processing that goes within that allocation of six, and that includes some of the people such as casual loadings. Electorate officers employed for a day a fortnight need their own superannuation arrangements, their own other codings, whether they be wages and the like. We are not funded for those issues. If we were to put a proper case to government to get further funding, rightly, Treasury would ask: where are your efficiencies in here? That is what we are trying to get to. If we can get that base right, we will have a better case to make, but those of you experienced with cabinet processes will know that it is great to wander into the EERC expecting you have a great case; coming out of EERC with supplementary funding is another issue.

Hon MARTIN ALDRIDGE: I am a little bit confused, director general, that if it was a matter of lack of budget funding, how can it be rationalised? There would not be anything to rationalise because the budget funding is not in place?

Mr Conran: I must respectfully disagree. If we have offices with seven or eight officers in them—I think two FTEs is your limit and I think you can pick up a cleaner in relation to that. But we are otherwise dealing with members who have more than that. Many members do, and they split FTEs 80–20, 60–40, 50–50. Our objective is to get down to four, but if we have seven, eight or nine in a particular office, that to us is inefficient. It will suit a member, and individual cases have to be taken into account —

Hon MARTIN ALDRIDGE: I am sorry, my question was not about how many staff you have employed. My question was: Your circular of 31 July said that you were not able to continue to provide a service because the budget funding had never been granted to the department. If the budget funding has never been granted, how can you rationalise a program that does not exist?

Mr Conran: We have to make it far more efficient.

Mr Moore: The terminology “program rationalisation” is a terminology that we were stuck with by Treasury because they removed the money out of the budget, so call it whatever you want to. In previous years, it has been an efficiency dividend, a budget cut. This year for whatever reason they came up with program rationalisation. Across the forward estimates we lost \$4 million out of our budget. We were asked through the process how we would manage having lost that \$4 million. We then set about looking at where we thought we could get some benefit by rationalising and looking at programs. They extended to, clearly, electorate offices, but also to leasing costs of motor vehicles, travel and a whole basket of goods, if you like, in relation to that.

Mr Conran: Further, in answer to your question, we look at our budget as a whole. We will have a notional allocation. If you are over budget, we will look to see how we can otherwise meet that overrun by pulling efficiencies out of other areas. We now have to look to your area to ask: rather than just funding you from another area, are there efficiencies we can gain from electorate offices in themselves? There must be efficiencies there by which we can get a better control of costs. Whether this is an exercise done by DPC or otherwise—that is, it does not matter whether you are within DPC or somewhere else—this exercise would occur. The advantage of the electorate office being within DPC is that you get to deal with a wider bucket of funds and we have got a bit more flexibility. I do not know when the change was made; I think it was in the 80s from funding electorate offices from the Parliament, I think it was, to DPC. But it is my understanding that

precisely the reason was that there were very few controls; there were no efficiencies and once your budget was gone, it was gone. Now once your budget is gone, somewhere else is asked to meet those requirements.

[12 noon]

Hon MARTIN ALDRIDGE: So that we can progress this, can I ask a full breakdown of the program rationalisation over the four years to be taken on notice?

Mr Conran: I am not going to be in a position to give you something definitive in relation to that, because this is an issue that is dealt with on a daily basis. That is, we know what we have lost; we are looking to drag efficiencies out of our organisation continuously. Quite clearly we have identified some things we would like to do with parliamentary electorate officers, and they should present us with some savings.

Hon MARTIN ALDRIDGE: Let me change the question. Can you provide me with the estimated budget saving from the measures announced in your circular on 31 July in comparison with your revised decision on 6 September?

Mr Conran: We will seek, as best we can, to identify that. The reality is that we will only get the savings that we can get. If, for example, we have moved to four, we can give you an estimate of the impact of that in terms of less coding of staff, but it is not going to a precise estimate.

Hon MARTIN ALDRIDGE: I think it will be quantifiable, because the decision of 31 July was no more relief staffing. So you would have a history of providing relief staff and the cost of that relief staff. I am pretty sure that would be quantifiable.

Mr Moore: It is. The shift from the July to the September circular we costed in terms of how we went about that and it is three-quarters of a million dollars. In other words, the shift from providing relief only after 20 days to providing a block of 150 hours per member's office is three-quarters of a million dollars.

Hon MARTIN ALDRIDGE: That would then mean that the original decision of 31 July would have been \$1.5 million. Is that what you are saying?

Mr Moore: No, you cannot rationalise it that way, because again, bearing in mind, the money has gone, so the electorate savings or what we were looking at is one of a basket of goods across the agency in terms of making \$4 million or accommodating \$4 million across the forward estimates.

The CHAIR: If you know what it was to go from the first decision to the second decision, you must know what you were expecting to save from the first decision.

Mr Moore: We came up with a figure, but that was never really in terms of the rationalisation of that. It was never really fully costed.

The CHAIR: I mean, unfortunately, that seems to be the way with budgets these days; it is only an estimate in the best of cases, but what was that figure? You must have used that for the modelling of your budget.

Mr Conran: We will just take that on notice.

Mr Moore: We will have to take that on notice because, as I say, it was one element of a number across the agency.

The CHAIR: Yes, but each item must have had its own number. I cannot imagine that you would have just applied a figure generically to a whole range of measures; you would have had a sub-figure for each one of those, which is, I think, what the member is asking for.

Mr Conran: To the extent that we can, we will provide that information.

[*Supplementary Information No A17.*]

Hon MARTIN ALDRIDGE: I have a couple more questions on this area. Can you advise if any member of Parliament has been allocated more than two full-time equivalent employees?

Mr Conran: The Leader of the Opposition is entitled to three. The Premier, I think, takes two and the Leader of the National Party —

Mr Moore: Leaders of parties are entitled to an additional FTE.

Hon RICK MAZZA: Really?

Mr Moore: Yes, the leader of a political party.

The CHAIR: You don't meet the definition!

Mr Moore: You need to look at the statute for what is the definition of a party.

Hon MARTIN ALDRIDGE: On 21 June 2013 a letter was received by the President of the Legislative Council that was tabled in the committee hearing in this place late last year. It was from you, director general, and it was in relation to the delegation of authority of employment matters relating to electorate officers and research officers. That letter was undated, but we know that it was received on 21 June 2013. It was subsequently approved by the President, but again, the letter remained undated. Given the significance of this delegation and a number of some 200 staff involved in this delegation, would it not be a key component of that delegation that we knew the date of effect?

Mr Conran: I am not sure how I am to answer that question. If it is undated —

The CHAIR: Would you expect a letter of that nature to normally be dated?

Mr Conran: I would expect it normally to be dated. We can check our records as to what the specific date is, but I do not think much draws on it. If that is the biggest problem with the letter, then I apologise but it is not a matter that concerns me greatly. The fact that the delegation exists is the important issue there.

The CHAIR: There would be a question mark about if there was to be any historical reflection on that decision—as to when the delegation came into force.

Mr Conran: I am not sure what happens if someone is arguing that the delegation is invalid. My question would be, “What next?” What is the next question?

Mr Moore: If I could step in; you are right. The delegation from the President to the agency is undated. That was a clerical slipup from the agency. The letter to the Speaker in the Assembly was dated, so nothing rises or falls necessarily on that. What we do with each term of Parliament, we need to renew that delegation. If you read the 1992 act, it gives the Speaker and President the employing powers for electorate and other staff. Clearly there is a delegation mooted in that, and that is arranged through this letter.

Hon MARTIN ALDRIDGE: I guess my question arises because there are a significant number of public servants that this involves. The employer is the President of the Legislative Council and the Speaker of the Legislative Assembly. He is delegating some of his responsibilities to the department. I think it is a fairly key element of that delegation to know when that delegation was effective. You suggested that it is something that has to be renewed each Parliament.

Mr Moore: We have been through the practice of renewing that with each Parliament, bearing in mind, not so much with the President—although he had to go through, as I understand it, a process to continue on as President in, forgive me, whatever it is, the thirty-seventh or thirty-eighth Parliament—and of course we had a change of Speaker in the Assembly. What we do is renew those delegations, and as has already been indicated this has literally been on foot and from my experience—even though it pre-dates my involvement in this area—in the 1980s something similar was also on foot. It was probably just renewed as a matter of course with each Parliament.

Hon MARTIN ALDRIDGE: Will the department seek to rectify that document so that the effectiveness of that delegation cannot be questioned?

Mr Conran: If someone wants a date put on it, I am sure we can put a date on it. That is not a difficult exercise, and I am sure we can get very close to the date. If that is the worst this department has done, then I am pretty satisfied with the operation of the department and I am pretty satisfied with the operation of the delegations. If it will assist, we will ask for that document to be dated.

The CHAIR: Are you able to tell us what other errors the department has made that you would think are more significant than that!

Mr Conran: I am sure there are plenty of which you will inform me.

The CHAIR: I just thought we might have been able to ensure this was circumvented.

Hon ALANNA CLOHESY: I just want to go back and find out how many offices have more than four staff—two FTE equivalent, but more staff. How many offices out of a total number?

Mr Conran: I could get you that detail, but quite a number have three and four. We picked four because we think that is an appropriate number and probably reflects the majority.

Hon ALANNA CLOHESY: So that is an appropriate number?

Mr Conran: That probably reflects the practice of a lot of the members. I think, short of Kath Andrews correcting me, I think that is how we made that call.

Hon ALANNA CLOHESY: I understood before that that call was made on the basis of the cost of administering payroll and other services. Is there a difference there?

Mr Moore: In part, it is as a result of the administrative arrangements. Again, if I can just share with you, some members have in excess of six part-timers. That collapses sometimes down to just half a day per fortnight. Now, we would question, in terms of what we are now on about, which is trying to find some efficiencies, not only for our office, but perhaps for members' offices, as to how the business continuity continues over a larger spread of part-time people. Maybe they are on top of that, and that is fine; but at the back end of that sort of arrangement, our office, as members would appreciate, because of the electronic systems that we operate or in some cases do not operate in members' offices, a lot of it is done by form filling. So, for every day of relief, we need a form. Not only that, if someone is going to be provided with relief, we want to know what has triggered that relief. In other words, someone is away sick and therefore you can bring in a relief person. So there are two forms. That means that our payroll people have to go through that sort of process and casual loadings et cetera. That is, in part, some of those costs that we are looking at trying to rationalise. It was suggested, and we did put in what we believe is a reasonable period, which was going to kick in on 1 July, that members may need to look at their current staffing mix and see if that is the best mix moving forward. Again, as in all of these issues, we did offer the services of our HR manager, who has been experienced in dealing with members and their issues around staffing, to try and work through those issues.

Hon ALANNA CLOHESY: Has the department got a family friendly workplace policy?

Mr Moore: I am not sure what you mean by family friendly.

Hon ALANNA CLOHESY: Providing processes and mechanisms to enable staff to achieve a better work-life balance, but also, for example, flexible working arrangements to ensure that women in particular can participate in the workforce, not as a result of their primary caring role but to understand that there are additional pressures for women to participate in the workforce.

Mr Moore: Perhaps I could direct the member to the industrial award and agreement that provides for the employment conditions of electorate staff. It does pick up on some of those arrangements that are available across the wider public sector, but not all. In their wisdom, the union representing electorate officers, and the employers, through, not so much DPC—we do have some input into

that—but it then goes to the Department of Commerce as the industrial advisers of government. There are some what might well be issues that apply in the public sector that do not immediately collapse into electorate staff. For instance, there is no flexitime or flexitime arrangements. We leave that up to the member and to the staff to work through.

Hon ALANNA CLOHESY: Correct, which is why I asked about the family friendly workplace policy.

Mr Moore: My answer is there is some, but maybe not all if you look at a whole suite.

Hon ALANNA CLOHESY: Not flexitime, and perhaps that might be the reason why some offices employ staff at what you would consider a reduced but more useful number of hours.

[12.15 pm]

Mr Moore: That could be a reason.

The CHAIR: I have a couple of questions following on from those I have put on notice for you. The first one goes back to November of last year regarding whether or not the department had provided advice to the Minister for Sport and Recreation on negotiations for compensation for Perth Glory over the redevelopment of nib Stadium, and there was a series of three other questions. Your answer was no and that negotiations on this matter were conducted by the Department of Sport and Recreation.

Mr Conran: That is correct.

The CHAIR: I accept that they were done by the Department of Sport and Recreation, but I just want to be clear that your agency did not provide any advice to the Minister for Sport and Recreation—when I use the term I am including in that his office and agency—about how they should conduct those negotiations. I accept that you did not do the negotiations, but I want to know if you or anyone in your department provided advice to the minister or any of those bodies that the minister notionally represents.

Mr Conran: I am going on recollection. I do not believe that any advice was given to the minister, and certainly not myself. I do recall on one occasion the director general of sport and rec contacting me and saying what he proposed to do, and I said, “Well, do what you propose to do,” noting that he was more than capable of conducting negotiations. That is about the extent of my role and I think anyone else’s role in relation to the Perth Glory issue.

The CHAIR: In those discussions with the director general did you outline what were the normally accepted practices of how those matters should be dealt with?

Mr Conran: No, because I did not have all the detail of what was being considered. Ron Alexander is one of our most experienced director generals. He is a very capable fellow. He negotiates like he played on the football field, so he is pretty good. I am not going to tell Ron —

The CHAIR: Yes, but he often used to give the umpires a hard time, and that is what I am trying to get to.

Mr Conran: I have answered as best I can.

The CHAIR: He did not always do it within the rules sometimes, like all good footballers. Sometimes umpires call them up, but they do not necessarily give a free; they point out to them that maybe they should be keeping their elbows down. I am just trying to ask whether or not any advice was given about how they might proceed, but it was up to him to then determine how.

Mr Conran: Not that I am aware, and that is my recollection, and it is to the best of my recollection.

The CHAIR: Is it likely that anyone else in the agency would have been involved in those discussions?

Mr Conran: I do not think so.

The CHAIR: So no one in your agency had any discussions with Perth Glory about compensation matters.

Mr Conran: Not that I am aware. I know Mr Sage was seeking discussions, but I do not think he had any success.

The CHAIR: I guess what I am interested in is when you answer a question like that, do you seek advice from other officers who may have been likely to be involved?

Mr Conran: Generally.

The CHAIR: So if you have answered no, then it is a reasonable chance —

Mr Conran: That would have gone around the agency.

The CHAIR: You indicated that a number of questions I asked needed to go to the Public Sector Commissioner, but my understanding is that your agency was involved in a fair degree of policy around the redundancy, so are you not aware of the information that I was requesting, or what role did you have in developing that redundancy package?

Mr Conran: Perhaps less than you think, other than being involved in discussions with the Premier, the Under Treasurer and the Public Sector Commissioner. The detailed work was done by the Public Sector Commissioner, working with the Treasurer. As the Premier said on numerous occasions, one reason why the Public Sector Commission was split from the Department of Premier and Cabinet was he wanted to distance the public sector side of that and create a more independent body rather than have it within DPC. One of the consequences of that has been that while I am obviously consulted in relation to my views on these issues, we very much have a dividing line that responsibility for the public sector issues much more broadly and the detailed work on that gets done by the Public Sector Commission, and I can get on with my other business. The administration of the voluntary redundancy or the severance programs that we have is being handled by the Public Sector Commission, and for that purpose we are just another agency. We submit our bids and they are considered and I do not have the detail of what the overall is. Some people might think I should, but I do not.

The CHAIR: I have a number of questions around the fitting out of new ministerial offices. My reading of your answer is that you are saying you only have a global figure, and you do not get a breakdown from the Department of Finance. If I want the breakdown, then I need to get that from the Department of Finance; is that correct? You do not internally get anything other than the global figure.

Mr Moore: No.

The CHAIR: I will see them this afternoon. The other question I had was around the loss of the safe from Dumas House. You said that the safe and contents were subsequently destroyed and placed in landfill. I thought there was some question about whether anyone could confirm that actually happened, but you are now absolutely confident that the safe was destroyed and the tapes placed in landfill?

Mr Conran: I will let Greg outline what we did to confirm, to the extent possible, that that occurred.

Mr Moore: What we did do, bearing in mind we were not in Dumas House, by and large, by that particular time—the building was a building site per se, so this predated DPC moving in—although there were some elements already in the building. We were not managing that project clearly; it was the Department of Finance and the project manager and the constructor. There were certain protocols about handing floors back, bearing in mind, of course, they were doing floor by floor across the building. In this particular situation, to start the whole process off, there was a breakdown

in communication between the project manager and the builder to the effect that that safe got removed without our knowledge. The safe contained disaster recovery or backup tapes, which we did have a regime for up until 2009, bearing in mind at that stage we were located in the CBD and it was good practice to have your disaster recovery tapes located outside of where the head office was. The safe was removed and we went through the varying contacts to establish that. In the end, we got in contact with the demolition contractor, who was not the person who removed it but they received it, along with a whole lot of other material from the project. We were assured that that had already been put through an industrial shredder and ended up in landfill.

The CHAIR: Do you still have those similar backup tapes stored at a new offsite location?

Mr Moore: Correct.

The CHAIR: In light of what has happened with this, what security is around that offsite location?

Mr Moore: It is a government building. I should add that since, as part of migrating to Dumas House, we now have a commercial data centre, which again was not necessarily our decision—it was the DPC's decision; it was a whole of government move. The Department of Finance might be able to answer that in more lucid terms than I can. We were agreed —

The CHAIR: Is the backup stored in the commercial data centre?

Mr Moore: No; that is the main commercial data. That is the centre that our information is stored in, but it is not our disaster recovery strategy. That is in another building in Leederville, which DPC did occupy until very recent times. The move is now that at some point to remove those backup tapes to another site outside of where we are now at Dumas House.

The CHAIR: I am surprised that they are that close, because normally those disaster recovery tapes have a 25-kilometre exclusion zone.

Mr Moore: I know of no reference about that.

The CHAIR: I am intrigued to know what security is then placed around those, because it is obviously sensitive information. If they are just stuck in the corner of an office and nobody knows what they are—to the point that people can come in for demolition teams and remove them and you have no knowledge about it—what processes do you have in place to maintain and ensure —

Mr Moore: It was an unusual circumstance clearly that we were not aware of that.

The CHAIR: I have made a point of not asking the location because I do not want to identify it, but if someone wanted to identify it and know where it is, it is quite within the realms that they could go in and take it without you having any knowledge based on the security of the one here.

Mr Moore: IT security people inform us that a backup tape is not just a tape that you can put in a machine and the world opens up. It is encrypted and you would need to have special equipment. Yes, there is still a risk that someone might well get hold of those tapes and be able to do something, but in the end we have to be confident in terms of our security regime—as we were—although we admit there was basically a very large breakdown in communication between the bodies that were handling the refurbishment of Dumas House.

The CHAIR: My next questions relate to the role that the director general played in the nurses' pay claim. If the negotiations you had were not based on the current wages policy —

Mr Conran: What do you mean by “current”?

The CHAIR: Current at the time of the debate. How did you inform yourself as to what was acceptable to negotiate with the nurses' union?

Mr Conran: The Premier indicated that he wished to see a resolution of the issue. I was aware of the negotiations that had taken place. I was aware of the wages policy at the time and what that might mean. Clearly that had not been acceptable to the nurses. The issue had been before the

industrial commission. As I recall, it made an order that there be no strike proceedings. That order was quite clearly defied. I had been advised by the chief executives of the major emergency departments—this was a very genuine concern—that unless this dispute was resolved that they would lose people; people would die. In that context and that information being relayed to the Premier, the Premier contacted me and requested I seek to resolve the issue. I had some general idea as to the parameters within which I might work. Their demands were quite extensive. We had a negotiation and the resulting resolution of that matter was made known to the world. I was given some general guidance from the Premier to resolve it —

The CHAIR: Did he give you a quantum to work within?

Mr Conran: I cannot specifically recall, but we came to a resolution relatively quickly.

The CHAIR: Why did you not contact, as would be the normal convention for these things, the Leader of the Opposition prior to those negotiations? If your justification is around concerns about the emergency departments and the like, why was the Leader of the Opposition not contacted prior to those negotiations to get his concurrence with the approach that was being taken?

[12.30 pm]

Mr Conran: As I have said in the email to you, it was my judgement that the offer that was being made would in no way restrict or impose on an alternative government a policy. It was very specifically —

The CHAIR: That is just rubbish, I have to be honest with you. What you did was negotiate and set the baseline for any negotiations with respect to pay. If your justification was that it was around issues in emergency departments, the normal protocol would have been to involve the Leader of the Opposition. In fact, what I believe you have done is politicise your position and put you into the position of negotiating a package if it is only contingent upon the re-election of the Liberal government negotiating on behalf of the Liberal Party.

Mr Conran: This is one of the challenges that are faced by people in my position in different circumstances altogether. I recall my counterpart at the commonwealth level being criticised similarly in relation to his interpretation of the caretaker convention. It is a decision I made. I live with the consequences of that decision. I have been criticised. I accept that criticism, but in my opinion, the caretaker conventions themselves do say use commonsense and judgement. I made a judgement call. Some people say I was wrong; I accept it. Some people say that.

The CHAIR: Can you explain to us why the issuing of the writs rather than a dissolution of the Legislative Assembly was chosen as the date on which the caretaker conventions would come into operation? I make the comment especially in light of the Government Financial Responsibility Act coming into operation from the date of the dissolution of the Assembly.

Mr Conran: I cannot recall specifically now the reasoning behind that decision. However, I did point out that that was a first occasion. My recollection is that that was done with the advice of the Solicitor-General. Again, I am going from recollection. That was the decision that was made. I think the decision was made by government.

The CHAIR: I was about to ask you: was it a cabinet decision or was it a decision purely of the Premier about that?

Mr Conran: I cannot recall.

Hon PETER COLLIER: It is of the Premier.

Mr Conran: Those calls are the Premier's.

The CHAIR: If it is the Premier's call, can I ask you to provide us with all of the documentation surrounding the preparation of those and any drafts of the caretaker conventions and the legal advice that was sought regarding the preparation of those caretaker conventions?

Mr Conran: I think we have provided you with the —

The CHAIR: The final documents; I am asking for the documents that were used in the preparation of them.

[Supplementary Information No A18.]

Mr Conran: I am not sure that we will be able to assist you much. We worked from the caretaker provisions in 2008. We made some adjustments, and we have outlined the reasoning for those. I do not think there was a series of particular drafts that went through, but I will check the records and see what we can provide.

The CHAIR: If there are any drafts or any legal advice, if you could provide that.

Mr Conran: There will be a query in relation to legal advice, for all the usual reasons.

The CHAIR: I just want to clarify: if material has been prepared by a government agency for the purposes of government, is it available during the caretaker period for a political party to use that material and to have it changed by the contractors who prepared the material originally for government? Is that an appropriate use of that government material under the caretaker conventions?

Mr Conran: You have asked me a hypothetical question. I am certainly not in a position to answer it. If you have a specific matter that can be argued —

The CHAIR: I think it is fairly straightforward: are ministers allowed to use material that was prepared by the department for a government decision—for an election announcement—and have changes made to it and use it as an election announcement? It is quite a straightforward question. It is not a hypothetical; it is: can you do that under the caretaker provisions?

Mr Conran: Again, I do not know the specifics you are talking about. My immediate reaction is yes.

The CHAIR: A government department can prepare material —

Mr Conran: As I recall, this issue got heavily debated in the federal election where Martin Parkinson, Secretary to the Treasury, and I think Dr Watt were both criticised in relation to a similar issue. I think they said, “This is appropriate.” They were criticised the other way. This shows you the dilemma we are in; that is, we make calls on these issues. The government is entitled to use information that it has before it.

The CHAIR: My next question —

Hon PETER COLLIER: Excuse me, Chair, can I just clarify something: when are we concluding this hearing?

The CHAIR: Very soon.

I think it is fair to say that in your answers you accept that there may be occasions where text messages would be required to be kept under your record-keeping plan. Can you advise us how many text messages have been recorded under your record-keeping plan? How does the department ensure that they capture all of the text messages that are required under your record-keeping plan to be maintained and kept?

Mr Conran: I do not think we can answer that question in the detail that you might seek. In relation to text messages, a text message is not usually the basis for action to be taken. You would see a subsequent step taken which in itself then becomes the primary record and the text itself is part of the ephemeral record. One would hope we do not have a situation where a text is the contract or the like in relation to providing any evidence.

The CHAIR: But if it forms part of the negotiations, that would still be kept, would it not?

Mr Conran: If it forms part of the negotiation, my preference would be that rather than rely on a text that the information upon which the text relates actually becomes a documented transaction.

The CHAIR: I agree with you, but my understanding is that is not what happens in a number of ministerial offices. I am intrigued to know how you convey that message to your ministerial office staff and how you record it if they do not obey those directions.

Mr Conran: We have spoken to ministerial staff in relation to text messages and we also inform them all in relation to record keeping. Indeed, following the concerns expressed in relation to Mr Larsson, we specifically had programs that ran with every member of ministerial staff highlighting to them the importance of this issue and the unimportance of texts. One would hope that smart phones had never been invented. Unfortunately they have, and they have been helpful, but texts —

The CHAIR: Maybe if you could take it on notice, if you can provide how many records of text messages have been recorded under your record-keeping plan.

[Supplementary Information No A19.]

The CHAIR: I have a couple of other questions but taking note of the time —

Mr Conran: I am sure you will give us a follow-up question.

The CHAIR: Yes. Although it would have been interesting to hear you explain why the material needs to be confidential.

The committee will forward any additional questions that it has to you, via the minister, in writing in the next couple of days together with the transcript of evidence which includes the questions that you have taken on notice. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If any member has unasked questions, I ask them to submit these to the committee clerk at the close of the hearing. Again, on behalf of the committee, I thank you very much for your attendance today.

Mr Conran: Could I just comment there are some complex questions there; we may need some more time.

Hearing concluded at 12.39 pm
