

GOVERNMENT PERFORMANCE — ACCOUNTABILITY AND TRANSPARENCY

Motion

HON DR STEVE THOMAS (South West — Leader of the Opposition) [10.08 am] — without notice: I move —

That the Legislative Council —

- (a) notes the recent reports from the Auditor General that highlight the poor performance of the government, including in the areas of transparency and accountability in service delivery and infrastructure construction;
- (b) notes the blatant lack of accountability and transparency that have become a regular part of the Cook government's performance; and
- (c) calls on the government to improve its performance and make a valid attempt to provide the “gold-standard transparency” it promised before it came to power.

Who would have thought that in the week that we are debating the biggest backflip the state has ever seen, that that would be the second most embarrassing performance of the Cook–McGowan governments that we would be discussing this week—that, in fact, there is something even worse? However, that is the unfortunate circumstance in which we find ourselves. This government continues to display astounding arrogance and contempt for the transparency that should be a part of government. Of course, members will remember that former Premier Hon Mark McGowan made various comments before the 2017 election. He promised gold-standard transparency and he made some impassioned speeches about the former government hiding behind commercial-in-confidence clauses to not provide the full picture to the Parliament or the people of Western Australia. It was an impassioned speech that he gave.

However, where are we today with the performance of this government, particularly on transparency? The answer is that it gets murkier and murkier the longer this government stays in power. It started with a promise of gold-standard transparency and it has fairly quickly declined to lead-standard transparency, and it is not showing any signs of improving, so much so that reports from the Auditor General of Western Australia have repeatedly highlighted the problems of this government and that it needs to lift its game. It is not even subtle anymore. This series of reports suggest that this government is trying to hide its incompetence. Unfortunately for the government, its backflip on the Aboriginal Cultural Heritage Act has meant that some of its incompetence is on full display to the public, but some of it remains hidden. Whether it is the Auditor General pointing it out or the opposition and sometimes even the cross backbench pointing it out in Parliament, it is very hard to get the true picture in Western Australia because this government likes to pretend that it is perfect. We have obviously been debating the repeal of the Aboriginal Cultural Heritage Act all week, after the government said, “We don’t make mistakes; accept the vibe and the feel of the bill and away we go.” Of course, it has been the most incredible backflip—something that we will never see again. However, that is not the only occasion on which that has occurred.

I want to talk about a couple of the more recent reports of the Auditor General because I think they raise some particularly important components. The most recent one that I spent some time reading was the *2023 Transparency report: Major projects*, which I thought was very interesting. It basically identifies that there have been significant blowouts in projects in both time frame and cost. We will talk about some projects for which the blowouts in time frame and cost are a significant issue, because some of that performance is an embarrassment to the government—again. We are debating a motion on transparency—again—not because it is repetitive, but because the government’s poor performance is repetitive. So it needs to be reminded to pick up its act—again. A lot of these projects have had significant blowouts in both time and budget. The most obvious example is on page 13 of the report. The cost of the Metronet Morley–Ellenbrook line has blown out by over \$500 million—that is over half a billion dollars—and the cost of the Bunbury Outer Ring Road has blown out by approximately \$500 million, or half a billion dollars. I will be interested to see how the government defends these particular blowouts.

Hon Klara Andric: In the same way that we defended the Mandurah line and all the others.

Hon Dr STEVE THOMAS: That is a good point. There were huge blowouts on the Mandurah line as well. I asked a question of the then Minister for Planning and Infrastructure, Hon Alannah MacTiernan: has she ever delivered a project on time and on budget? She took great offence at that 15 years ago, but the trend is still there.

Several members interjected.

The PRESIDENT: Order! Welcome to Thursday morning! I would invite members to keep their interjections to a minimum—if they are required at all.

Hon Dr STEVE THOMAS: Thank you, President. It is Thursday morning and we are kicking another bruise—another sensitive spot—on the Labor Party.

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I might leave other members to talk about the Morley–Ellenbrook line in more detail, because I think the Bunbury Outer Ring Road is a better example. That project started with a guesstimate, let us say, of \$700 million, but the first business case came out at \$850 million a few years ago. It is now a \$1.35 billion project. This government has managed to take an \$850 million business case—I will let it off on the \$700 million first guesstimate because nobody was really sure that that would be the number—out to \$1.35 billion. That is a half-a-billion-dollar blowout for this government.

This government’s defence on lots of its infrastructure spending is that the parameters have changed: “We have changed the detail of the construction. We have had to put in additional things to make it a bit better. We have extended it a bit further.” That is the great defence of the government. Let us look at that in detail. The Bunbury Outer Ring Road has had a \$500 million—half a billion dollars—blowout in its budget and, at the same time, this government and the Minister for Transport, Hon Rita Saffioti, have downgraded the parameters instead of increasing them. The government has actually reduced the scope. It is a \$500 million blowout on an \$850 million project—a 40 per cent blowout in the cost of the project—and, at the same time, the scope is down, not up. What is the scope now? The government has taken out most of the overpasses, so there are only two or three overpasses on the main sections. All the overpasses and the graded separation to traffic on the Bunbury Outer Ring Road have been replaced by roundabouts.

On the logistical sense of this project, someone who is driving a truck, particularly if they are coming out of the Dardanup light industrial area, has to come out onto the highway, the bypass ring-road, and go around the roundabout going south to actually head north. Those trucks are probably going to need both lanes when they get there. How is the government going to manage that process? For those who like to come down to the south west, Margaret River, Dunsborough and Busselton, which is the best part of the state, the Bunbury Outer Ring Road will get them there a bit quicker, but they will be fighting trucks coming on and off the road. For all the members with holiday homes down there—we love to see them come down and spend their money—this was going to get them there quicker, but now they will have to wait for the trucks to get around it. To make it safe for the metropolitan folk driving along that road, the government is going to put traffic lights on the roundabouts! Not only are we not going to have graded intersections so that there is a smooth flow, because the government cannot afford that, but also we are going to have roundabouts with traffic lights. This is for a project that started with a budget of \$850 million but is now \$1.35 billion. There has been a \$500 million blowout—half a billion dollars—in the cost of this particular project alone, even though the government has downgraded the scope. It has not increased it; the road is not going in. It has downgraded the scope and blown out the cost of the project.

I have tried to put an opinion piece in the newspaper on this one because I think it is one of the most embarrassing bits presented by a government that is full of embarrassing bits, but the reality is that no-one would publish it. Hon Rita Saffioti seems to be untouchable in the media, but let us see how we go. Here is a great example of poor financial management identified by the Auditor General but not even highlighted.

Hon Kyle McGinn interjected.

The PRESIDENT: Order!

Hon Dr STEVE THOMAS: You still need a haircut, member!

What did the Auditor General say in this report, because this was not the only component? Let us look at the blowouts in time frames because they are equally interesting. The Geraldton Health Campus redevelopment has blown out by 58 months, or four years and 10 months. This is a government that says that it is building infrastructure, and it is; it is spending money on infrastructure. Four years and 10 months have been added to the time frame for the Geraldton hospital redevelopment. Wow! That is a good performance on that one! The government is doing very well! By comparison, the remote Aboriginal communities accelerated works program is only four years behind, so it is 10 years ahead of the Geraldton Health Campus redevelopment. I am surprised we are not going to have a private member’s business motion congratulating the government on its performance there. It is only four years behind—it is doing very well! There is a whole group that is only two years behind, but the current performance levels are probably not bad! There were major blowouts in time and cost and a significant reduction in scope. Well done. What a performance! But what was the key recommendation from the Auditor General in this report? The key recommendation was this. For those who could not bring themselves to read the report, recommendation 1 is on page 17. It states —

The Department of Treasury, as the custodian of the Asset Investment Program data set, should improve transparency on the cost, time and status of major projects through regular reporting to Parliament and the public, for example through a public facing dashboard, commencing from the 2024–25 Budget process.

Therefore, recommendation 1 is: be a bit more transparent, guys! Be more transparent to the community. Be more transparent to the Parliament. Gee, that would be nice! I might get some answers to questions. That would be wonderful. If the government does nothing else with this excellent report from the Auditor General, try to be a bit more transparent. That would be really useful and really good. We have had a bit of fun with that.

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Hon Dan Caddy interjected.

Hon Dr STEVE THOMAS: No; I am sure it is not fun for the members of the government who have to hide the embarrassment and shame of their performance, but we cannot have everything our own way.

Hon Sue Ellery: Is that how my face looks to you?

Hon Dr STEVE THOMAS: Far be it for me to comment on anybody's appearance or how they look, Leader of the House. We can tell when members opposite are embarrassed because they interject.

Hon Sue Ellery: This is not fear and embarrassment.

Hon Dr STEVE THOMAS: It is. The government is dreadfully embarrassed. The only reason that the government is not dreadfully embarrassed is that it is able to hide most of its incompetence. Therefore, the government does its best to hide its incompetence, and its confidence is in its ability to hide its incompetence. There you go! That might be the slogan for the next election, I suspect. It is a bit complex, maybe, but that is exactly what happens.

I want to raise an issue that I think is important, and I am glad the Leader of the House is present for this because we have debated this issue several times. In the Auditor General's *Annual report 2022–2023*, the Auditor General made some references to changes to the Auditor General Act, which passed through this house in 2022. The amendment bill passed through the house with my support, I must say. This came out of a set of recommendations in 2016 from bipartisan committees that said that updates were required to the Auditor General Act. The Auditor General raised specific concerns about the implementation of the act—in particular, the Auditor General's ability to report the outcomes of proceedings to the Parliament and the people. Bear in mind that recommendation 1 of the *Transparency report: Major projects* was all about improved transparency on the cost, time and status of major projects through regular reporting to the Parliament and the public. That was recommendation 1 and it should be taken on board. The problem that the Auditor General exposes in the annual report is the potential reduction even further of that oversight. I am yet to be convinced that that reduction in oversight exists, but this is a problem that the government must answer. The government needs to respond to this.

Page 110 of the *Annual report* states —

The amendments explicitly provide the basis for the Auditor General to access materials that are subject to claims of public interest immunity and legal professional privilege and, through section 37A, preservation of those privileges and immunities following access. Clarity of these specific matters should have a positive impact on our audit ...

This is good. It goes on to say —

... a number of the other provisions in the Amendment Act are novel, and consequently untested in any Australian jurisdiction so their full practical application and impact are not yet known.

I think that is potentially true, but it requires the government to assess this and look at it. It continues —

Significantly, a number of amendments relate to changes to the Auditor General's procedural fairness and reporting provisions. These are areas where the existing legislative provisions were working well and the need for amendment had not been demonstrated or reported by successive Auditors General or the Parliament.

Again, I am not necessarily agreeing with that position; I am saying that the government needs to respond to the comment. This audit has been out for a little while, and the government should respond to this process. I thought this was interesting. I am going to run out of time, so I will have to rush through this. I think that unlimited time for these debates would be much better.

On page 111 of the *Annual report* states —

A further impact of the AG Act changes

This year, the Auditor General determined that it was not in the public interest to widely communicate some of our findings from a specific audit. Instead of reporting publicly through both Houses of Parliament, in accordance with sections 23(2) and 25(1) of the Auditor General Act 2006, we provided a confidential report to the Public Accounts Committee and the Estimates and Financial Operations Committee, as well as the relevant ministers.

That is particularly important because during the debate on the Auditor General Amendment Bill, I repeatedly said that it was critically important that the Auditor General is an officer of the Parliament and reports to the Parliament. The Auditor General is not a public servant who is under the control of the Treasurer or the government; the Auditor General is an officer of the Parliament. There are processes by which they have to respond to the government and talk to the government; that was in the previous act and was repeated in the bill. In fact, it was extended in the bill for extra reporting to the Treasurer. I think the government should respond to the concerns raised by the Auditor General, but I have yet to see any kind of public response.

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Section 23 of the Auditor General Act says —

- (2) The Auditor General may provide advice or information to a person or body relating to the Auditor General's responsibilities if, in the Auditor General's opinion, the provision of the information or advice —
 - (a) would be in the State's interests; and
 - (b) would not compromise the Auditor General's independence.

That is a pretty broad section. Section 25 says —

- (1) The Auditor General may prepare and sign a report on an examination or investigation carried out under section 18 and may submit the report to —
 - (a) both Houses of Parliament; or
 - (b) the Public Accounts Committee and the Estimates and Financial Operations Committee.
- (2) Before signing a report proposed to be submitted ... the Auditor General must —
 - (a) give a summary of findings to the Treasurer, agency —

Then invite the Treasurer and the agency to make a comment. Those are the sections in the Auditor General Act, as it currently exists, that empower the Auditor General to report to the Parliament, as it must do, either directly by tabling documents or through those two very important committees: the Standing Committee on Public Administration is a very good committee, which is a good committee but is dominated by the government and the lower house, and the very important Standing Committee on Estimates and Financial Operations, which is actually not a government-dominated committee, in the Legislative Council at the moment, and does incredibly good work. That line of communication is very important.

In terms of the amendments in the Auditor General Amendment Bill that we debated last year, section 25 of the act was amended. I do not think that section 23(2) was amended in the slightest, so at some point I would appreciate the government telling us whether there are risks under section 23(2) of the act. I accept that that may well not happen today because it might take some time to deliver that information, but I think that at some point the government should respond to that and put its case. Section 25(2) not 25(1) was amended. Basically, the amendment, in my reading of it, did not change the requirement of the government in the provision of those reports or investigations. It previously stated in the legislation that the reports would go to the government; the wording of that was changed, but the amendment said that the government would consult with the treasurers of the agencies. It is incumbent upon the government to respond to these reports. I want an answer on what the government is doing to impinge on the work of the Auditor General.

HON COLIN de GRUSSA (Agricultural — Deputy Leader of the Opposition) [10.29 am]: I, too, rise to comment on this excellent motion moved by my colleague Hon Dr Steve Thomas. Again, as we are all aware, this is not a new topic of debate for the opposition on a Thursday, because the government keeps giving us free kicks in this space. I go back to a debate in 2021 on a motion I moved that was also around transparency and accountability. In that debate, I particularly focused on some Auditor General's qualified opinions on the Department of Primary Industries and Regional Development. Qualified opinions from the Auditor General are a serious matter; in fact, in response to that motion, the former member of this place and former Minister for Agriculture and Food Hon Alannah MacTiernan actually acknowledged that. She said —

... I will say that Hon Colin de Grussa raised an issue that needs to be addressed—it is one that has certainly concerned me—and that is the qualified audit in the annual report of the Department of Primary Industries and Regional Development. It is a concern I share ... It is certainly referring to some less than satisfactory processes that are at play in the department and the financial management within the department, and I do not think we can gloss over it. These matters have been the subject of a number of reports. I am reasonably confident, with the team currently looking at this now, that we will get on top of it.

Hon Alannah MacTiernan said in 2021 that she was “reasonably confident”. If we fast forward now to 30 June this year when the Office of the Auditor General tabled the *Financial audit results: State government 2021–22: Part 3: Final results*, what did we see in there? The Auditor General's overview states —

The complexities of the final nine audits can also be seen in the number of qualification matters and issues attributable to these audits. There were an additional 10 qualification matters, 67 control weaknesses (with 23 rated as significant) and \$614.9 million of adjusted and \$16.5 million of unadjusted audit differences in the final nine entities. Many of these issues were complex and ultimately resulted in additional audit effort to consider, resolve and report.

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This means that the final results for the June 2022 cycle are stark, and worse than we anticipated in the first report. There were 45 qualification matters identified at 25 entities, a record for the State.

That is not a good record. It continues —

In total, there were 452 control weaknesses identified, of which 114 were rated as significant. This is another concerning record for the State.

The increase in audit qualification matters is due, in part, to failures by entities to resolve audit findings related to financial management and information system control weaknesses. The percentage of findings unresolved from the prior year increased to 39% ... Of particular concern, is that there was a 65.5% increase in the number of unresolved significant issues.

That is a very serious matter raised by the Auditor General in this report. I turn to page 9 of that document and the record number of audit qualifications. It states —

Underpinning these audit qualifications are a large number of control, financial statement or KPI weaknesses which we report to management as part of our financial audit. We reported 452 control weaknesses to 80 entities, with 114 of these issues rated as significant. This is the highest it's been in six years. This increase in significant findings correlates with the increase in qualification matters.

The executive summary continues —

The percentage of unresolved findings has been increasing since 2018–19. There were 178 (39%) findings for 2021–22 which were unresolved from the prior year (48 rated as significant). Consequently, many entities have reoccurring audit qualifications, indicating that they are not putting sufficient attention and resources into addressing the underlying weaknesses, some of which have been outstanding for many years. Audit qualifications represent a significant breakdown in controls, systems or processes and may indicate that public funds and resources are not being properly accounted for and managed. It is therefore critical that entities address these findings with utmost urgency.

The Auditor General said that these significant issues are not going away; they are getting worse. That is why, members, we are back in here on a Thursday morning debating a motion on accountability and transparency, because nothing is changing. It is getting worse. In fact, the chart on page 11 of the Auditor General's report that I am quoting from shows quite starkly how high these discrete qualifications and qualified entities have risen since 2018–19. In 2018–19, we were looking at four discrete qualifications; in 2021–22, there were 45. That is a huge increase. The government should be absolutely embarrassed that its agencies do not have control of the issues identified by the Auditor General, and that things are nowhere near getting better; in fact, they are getting worse. These qualified audits clearly indicate systemic problems, because they are not going away. In my view, a large part of that was caused by the machinery-of-government changes that created a lot of chaos in trying to bring different systems together. In fact, further in her response to the previous motion I talked about, Hon Alannah MacTiernan said —

There are a number of problems. There had been a hollowing out of the skill levels in the agency ...

She said —

I would agree that bringing three different agencies together poses a challenge in integrating all their systems.

It certainly does, but it is clear that some of those problems have not yet been resolved, so we see the government failing in these accountability mechanisms.

I want to talk about the Auditor General in the context of an article written by Paul Murray on 7 October this year. In that article, he states quite clearly that the Auditor General has sounded the alarm that her agency is under threat from legislated attacks on her powers by Labor and says that we should take notice of that. The Auditor General is saying that it will get harder for her to do her job and maintain accountability of these government agencies.

In the time remaining, very briefly, I want to talk about another matter that came to light this week, and an editorial in *The West Australian* on Monday, 9 October titled "Why there must be a probe into Ward 5A". This again goes to transparency. The editorial states —

It is hard to imagine how the State Government could have further bungled its response to the devastating news last week that a 13-year-old girl had been raped while she was a patient at Perth Children's Hospital, the supposed flagship of paediatric care in this State.

Among their biggest and earliest mistakes was attempting to keep the whole saga a secret.

The editorial further states —

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Meantime, The West has revealed the horrifying experiences of other families seeking treatment for their children in Ward 5A, including one so desperate that they had to send pictures of their child attempting suicide for staff to take them seriously.

I speak very briefly from my personal experience in dealing with Perth Children's Hospital. We spoke to a person, and I say at the start that I have to say thank you to them for their courage and honesty. At one stage, we were desperate to get help and get our child into ward 5A, because that was the only option we could see at that point in time. A very lengthy conversation ensued in which that person made it absolutely crystal clear to us, "You do not want your child in here. You do not want your daughter in ward 5A of this hospital." They made it clear to us that we should seek every possible alternative before we put her in there. This was only a few months ago. Obviously, we did not know at the time why that might be the case, although we can obviously make assumptions, but it was made crystal clear to us that we should do everything in our power to avoid ward 5A, so we tried everything in our power to do that. As it turns out, we did not need it, at the end of the day. But none of the private facilities in the state will take a child of that age, so there is no alternative for most families. We were lucky that we managed to get through that and not have our daughter in ward 5A.

I cannot impress enough upon government that it is just not good enough to try to hide these things. It needs to do better. Transparency and accountability is absolutely critical for any government to succeed.

HON TJORN SIBMA (North Metropolitan) [10.39 am]: I rise to speak in support of this motion, which I think is reasonably put. I also want to use this opportunity to convey my best wishes to my friend and colleague Hon Colin de Grussa, who outlined a sensitive family situation that was raised completely legitimately in the context of why accountability and transparency are important for any government.

I make the observation that moves to improve accountability and transparency do not always come at a cost to executive government. In fact, people in the community in general respect governments that cough up to mistakes and reveal shortcomings in an open and transparent manner, and then commit to remedying those mistakes. The expectations of the community of Western Australia were very clearly and unambiguously raised by the commitment of the previous Premier, Hon Mark McGowan, upon the signing in of the first McGowan Labor cabinet in 2017, to an open, transparent and accountable government. That was a laudable mission statement for the then Premier to give. As my colleagues and I have remarked on many occasions since, that mission statement has been honoured more in the breach than in the observance.

It is not always to the political detriment of a minister or a Premier to be open and transparent. We have an army of public servants who would also benefit from having their practices more open to scrutiny. The Auditor General—both the office and the individual—to whom this motion is directed serves an absolutely vital function for transparency, accountability and governance in the state of Western Australia. Her role has been elevated by virtue of the government's overwhelming victory in the last state election, because there needs to be a brake and impartial check on executive power. The Auditor General is a person of exemplary professionalism and was appointed by this government, so it disappoints me to a now worryingly intense degree that her reports are being blithely ignored by the government. This has become a pattern of behaviour, and I do not know why.

I draw members' attention to a very brief passage from the Auditor General's overview of the *2023 Transparency report: Major projects* of 4 October. It states, in part —

... there has not yet been progress on our previous recommendations for regular and accessible public reporting on the cost and time performance of individual projects. Public information remains static and disparate, making it difficult to understand how projects are progressing and when the benefits they are designed to deliver will be available to the community.

That is a point well made. When the progress of major projects is not regularly updated, as members of Parliament we are forced to inquire into those updates, because apart from government visual opportunities featuring high-vis vests and hard helmets, designed for television on a Sunday morning or afternoon, the public is none the wiser about the progress of major projects in this state, and Metronet is a principal example. A recent public report of the Public Transport Authority revealed a 10 per cent increase in the operating subsidy payable by government to the agency; that is an increase of more than \$100 million on the last financial year. Yesterday I asked a question about how the Public Transport Authority accounted for that 10 per cent increase. I was dismissively advised to find the relevant note in the financial statements, the answer is there. Thank you very much. I had already read that note; I was seeking to find out the contribution towards the opening of the new rail line that has now been operating for 12 months but had been operating for nine months up to the reporting date, and other factors that have contributed to that \$100 million increase in the subsidy payable to the agency, which will deflate the government's capacity to put that money into other areas of need in any budget year. I was told, "Talk to the hand; look at the book." We are still none the wiser about the contribution towards the operation of that line.

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Why is that important? It is important because Metronet is going to effectively double the length of rail track in the metropolitan area within a constrained period of time—six years. How many further subsidies are going to be payable each and every financial year from here on in? I have made this point before that putting aside capital expenditure, which has gone up by nearly 400 per cent on the government's promise, the recurrent expenditure required to operate and subsidise that line is likely to increase to at least \$2 billion per annum by the end of this decade. The operational expenses of Metronet will eat into future budgets. The government has been reluctant to admit that and to explain that impact. I think that is an impact about which it is reasonable to ask questions.

I will very quickly address another issue that falls under the justice portfolio rather than the transport portfolio. Around April or May 2021, the Law Society of Western Australia claimed that the shortage of available courtrooms in this jurisdiction, particularly for criminal trials, constituted a crisis in the administration of justice. Whether one is legally trained or not, I think most of us are familiar with the adage that justice delayed is justice denied. Over the course of the last two years I have repeatedly asked what progress has been made in finding additional courtroom space. The answer has been, "We're still working on it." It was a crisis two years ago; what is it now? The expected time to trial in the District Court for a criminal matter is now approaching 70 weeks, even though the target date is 37 weeks. There seems to be no remedy for this crisis—a crisis that has metastasised since then.

Is this the government's fault? Are we seeking political blame? We obviously are, to a certain degree, but we are actually enjoining the government to demonstrate some responsibility. The government has handed down seven budgets and is about to go through its seventh midyear review. That means that it has effectively reached its fourteenth decision point on the allocation of resources in this state. It has failed on each and every one of those thirteen occasions—and is likely to again fail with the midyear review, which is likely to be dropped before Christmas—to take any responsibility for the mismanagement of the rollout of infrastructure, the delivery of critical services and the financial consequences of those poor decisions, which will be felt for years to come.

HON SUE ELLERY (South Metropolitan — Leader of the House) [10.49 am]: I waited in great anticipation, but, yet again, I have been let down by the failure of the other side. The only thing that I would agree on with the Leader of the Opposition is that this is a time-limited debate so I do not have enough time to canvass all the issues I would like to canvass. I will start with the most recent Auditor General's report, *2023 Transparency report: Major projects*, the sixth report for 2023–24. I will start with the conclusion of that report —

In compiling this transparency report, nothing has come to our attention to indicate that, in all material respects, information provided in the project summary sheets and this report is not accurate and reliable.

For the 20 projects we reviewed, cost budgets have increased by almost \$2 billion (22.5%) since their original approval, from a total of \$8.7 billion to \$10.7 billion. Most have either received more funding and/or had their completion dates extended. About 50% of this \$2 billion increase was approved recently as part of the 2023–24 Budget process and is largely related to three rail/road projects.

Fifteen projects had their prior approved cost and/or time budgets increased during the 2022–23 Mid-Year Review and 2023–24 Budget processes. Labour and supply shortages and constraints in the construction industry have contributed to higher project costs and delays. While the State's smoothing of the AIP extended some project delivery times, it is a sound approach in the circumstances to aligning project works with the capacity of the construction industry to deliver.

We note that five projects highlighted in our 2022 Transparency Report as having had high variations to either their cost and/or time continued to experience increases.

Further, our high-level review of controls for four projects did not identify —

I repeat, did not identify —

any significant issues.

Hon Dr Steve Thomas interjected.

Hon SUE ELLERY: Is the member laughing at what the Auditor General has written? It continues —

All entities were able to provide reasonable and substantiated explanations of cost and time variations when requested.

That is what the Auditor General's report says. The other thing to note is that there are two points during the course of the year when government is required to report on assets investment program matters: in the *Government mid-year financial projections statement* and in the budget papers. As the Deputy Premier; Treasurer; Minister for Transport reflected on in the other place in a debate earlier this week, that is probably more reporting than most private sector construction companies need to do to their shareholders on projects of the size we are talking about. In addition to being Leader of the House, I am, of course, Minister for Finance. I am responsible for procurement and setting up of contracts for assets in education, big community buildings and also in health, for example. I am not sure whether

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members on the other side have noticed this, but across the world—not just in Western Australia and Australia—the post-COVID construction market has been under extreme pressure. There has been a supply-shortage issue. I think supply is actually starting to get better, but there is still a significant labour shortage. No-one could accuse this government of not doing everything it possibly could to address training by making it accessible to all, unlike those on the other side whose contribution to lifting the skills in Western Australia was to increase TAFE fees by some 500 per cent.

When we first came into government in 2017, the price of building a primary school was around \$20 million. I mean no disrespect to primary schools but they are kind of cookie-cutter projects; there is not a lot of variation between primary schools. Do members know what the price is now? It is between \$35 million to \$40 million. We have not changed the design in any major way. That is how much construction costs have gone up in that time. That is a function of the market. What has government's response been to that? We have done everything we can to smooth the asset investment program so that we are not all competing for the same workers at the same time or the same concrete at the same time. We have literally spread the process and extended time frames so that we can deliver our projects without impinging on the private sector's capacity to deliver its projects as well.

The information contained in that major projects transparency report is not new. It is reported publicly, as I said, twice a year through the budget and the midyear review process. Labour and supply shortages across the construction industry across the world have affected project costs and time frames, but we have taken steps to address that whether by smoothing the pipeline or rigorously assessing project costs. If I had the time, I would go over what the Langouant report had to say about the previous Liberal–National government that did not do anything to assess project costs, but I do not have the time to go back in history, so I am not going to. Of course, we are delivering a record investment in training to make sure we have the skilled workforce that we need. We have invested some \$39 billion into infrastructure, a record amount of money, because we have managed our finances well. We have made those record investments while still reducing debt by \$10 billion because of deliberate decisions and strong and good economic management. Members on the other side would have no clue about that because during their eight years in government, we saw the complete opposite of strong economic management. We have returned to a AAA credit rating and we have repaired the finances.

The increase in costs for the 20 projects canvassed by the Auditor General were due to not only market pressures causing cost escalation, but also increases in project scope. We want to make something better if we can make it better. That is what we have been trying to do. The costs experienced in WA pale into comparison with the costs experienced on the east coast. For example, New South Wales has needed a \$21 billion injection for its metro rail projects and Victoria has needed \$200 billion, more than four times the original estimate.

A few things have been raised and I have limited time in which to speak, so I turn briefly to the issue raised—I will not be able to answer all of it—by Hon Dr Steve Thomas about the Auditor General's comments in the Paul Murray article that I think he referred to. Members can correct me if I get it wrong. When we were debating the Auditor General Amendment Bill last year, I think the sequence of events went like this. The Auditor General provided to the estimates committee a copy of her legal advice. In the course of being at the table, Hon Dr Steve Thomas asked me some questions about that advice, if members recall. Her issue at that point was whether the bill before the house would impinge on and diminish her rights under existing legislation. I will quote the comments by Hon Dr Steve Thomas at that time —

From the outset, I should say that I personally take the view that the advice of the State Solicitor's Office — Which was a contrary view to that of the Auditor General's legal advice —

is probably to be weighted higher in this debate than the advice received by Mr Shanahan, Senior Counsel — He was the lawyer engaged by the Auditor General —

That is not just because I think the State Solicitor's Office's is correct, which I do. I think so because of those things I have read out already as part of this debate, in particular the section from the cabinet handbook that says cabinet-in-confidence exists and is maintained and that cabinet handbook is still being used today. Mr Shanahan, Senior Counsel, takes an opposing view on that but it is very difficult to argue that the Auditor General Act, as it currently exists, empowers the Auditor General to access all documents, including cabinet-in-confidence, community interest and legal professional privilege when the current government and, I presume the previous government, both operated with a handbook that says it does not. From my perspective, it is very difficult to make that jump.

The Auditor General Amendment Act 2022 was developed extensively in consultation with the Auditor General in response to concerns she had raised about information access. The reforms in that 2022 act created an unprecedented statutory right to access cabinet documents and government's legal advice, and put in place a whole range of new and additional procedures on top of existing provisions. However, it was never going to be the case that limitations

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would not be placed on the Auditor General. Indeed, the last review into the act by the Joint Standing Committee on Audit—I note it is doing another one now—found that there should be appropriate limitations on disclosure and a streamlining of process to access cabinet materials. That is for a very important reason that goes to the principles of cabinet being able to make decisions with all the information it needs, not with the decision-making process being exposed and therefore people not able to make decisions with all the facts in front of them. These are longstanding principles adopted by governments of all persuasions. It is difficult to see how the provisions in the bill that was passed by Parliament diminish the independence of the Auditor General; nevertheless, if that is the position she wants to put to the media, she is entitled to do that.

Hon Colin de Grussa raised the issue of mental health. Behind the chair, I have had conversations with the honourable member about the circumstances of his family. Unfortunately, like far too many Western Australians, we all have members of our family who have had to deal with mental health issues. It is incredibly difficult. I express my sympathy to him for the issues that were particularly acute at that time and I hope that they are progressing well. I understand the difficulty. I have not been in a position in which I have had that happen to a child in my family. I am with an adult member of my family. In some ways, unless they are deemed unable to make decisions as an adult, they are the decision-maker and it adds another layer of complexity. Other family members can see what is going wrong, but as an adult they are entitled to make their own decisions about what medication they take, what practitioners they see and whether they stay in hospital or discharge themselves. All those sorts of things can happen and it is fraught. I note that the Minister for Health made some further public comments today. She undertook a thorough investigation of the events that were referred to in that ward and has acted on those appropriately in response. It is a very difficult situation.

A proposition was put by I think Hon Tjorn Sibma, who will correct me if I am not right, in which he used the word “mismanagement” for how this government has handled our expenditure in asset investment and large projects. That is just not the case. There has not been mismanagement of any of the vast array of projects that this government is in the process of delivering. Yes, we are delivering projects in the hardest period ever faced by the construction industry—there is no question about that—but this government is committed to continuing our ambitious agenda of improving infrastructure in Western Australia for all Western Australians. It is not the case that this government has acted inappropriately or mismanaged funds on any of those projects and I look forward to the continuing rollout of our successful asset investment program.

HON NEIL THOMSON (Mining and Pastoral) [11.04 am]: I am disappointed by the Minister for Finance’s response because she could play a key role. Western Australia has the biggest spending minister on capital infrastructure in the Minister for Transport, who is also the Treasurer of the state. The Minister for Finance correctly outlined her role in procurement and made a few comments about smoothing out the process of those major projects by trying to manage excessive civil construction costs. There is a real opportunity for the Minister for Finance, if she so chooses, to look more carefully at the Auditor General’s *2023 Transparency report: Major projects*. The Minister for Finance has been quite selective in reading out sections about reporting against those required reporting components. She did not read out the important lines in this report that go to the heart of this motion. Those lines are in the background section in the executive summary on the very first page and state —

Our previous reports have highlighted the need for greater transparency in this area of significant public interest.

Although there have been developments in the planning, governance and reporting on major projects since our first report, —

That is the selective bit about reporting —

there has been no progress on our recommendation for regular and accessible public reporting on the status, and cost and time performance of major projects.

That is a very damning line—no progress, whatsoever. It goes to the heart of the issue of transparency. We can argue this on a couple of grounds. There is the public interest in expenditure and the efficiency of expenditure. It is no secret in the civil construction industry that these massive civil construction projects that are now underway have had an impact on the cost of delivery for civil construction. This has had an impact on many of our smaller businesses that are seeking civil construction and even our housing construction market, which has had a direct impact on the cost of living, certainly the cost of housing, for our community. That is the first thing. That is the public interest. We see not only that, but also that of the 20 projects in the table on page 11 of this very good report by the Auditor General, which is only a small fraction of the 1 623 projects under the capital investment program, not a single project has a clean bill of health, except the women’s and babies’ hospital. Not a single project of the 20 that the Auditor General selected to assess is either on cost or on time. That is not a resume I would want if I were the Minister for Transport seeking the job of Treasurer.

We know that the Treasurer managed to get that job because of a deal done with the current “Good News” Premier Cook, who managed to get the job of Premier because of that deal. The Minister for Transport was able

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to get her long-cherished desire for her career, returning to Treasury as Treasurer. She now has the job of being accountable for expenditure on these projects. I will ask more about this, because I am not sure how much correspondence is going on between the Minister for Transport and the Treasurer.

We saw the situation the other day when the Minister for Transport had to write to the Treasurer about the annual report for the Department of Transport being late. More serious correspondence needs to happen around the Treasurer and Minister for Transport. We know that there is a conflict of interest with the Minister for Transport and Treasurer being the same person. In the absence of that correspondence, I suggest that the Minister for Finance step up and take a role regarding some of these comments made by the Auditor General. The Minister for Finance could stand up and not just gloss over and cherry-pick comments within the report from the Auditor General, but actually look at the issue of transparency. When it comes to it, the issue is both of public and political interest. I will give some advice to the Parliamentary Labor Party, because it needs it. If it wants to stay in power, I advise members to look at the roles that were dished out during the leadership tussle between those from the United Voice faction, and whether Amber-Jade Sanderson, MLA, the Minister for Health, should have actually been the Leader of the Parliamentary Labor Party. The deal was stitched up —

Hon Kyle McGinn interjected.

Hon NEIL THOMSON: I am just giving advice, because I am always happy to give advice on a Thursday to those opposite. In fact —

Several members interjected.

The PRESIDENT: Order!

Hon NEIL THOMSON: The only project on that list that is all green was actually from the Minister for Health, Hon Amber-Jade Sanderson! Notwithstanding that, after the forensic work by Libby Mettam, the Leader of the Liberal Party, we found that even that project did not follow the process outlined in the business case. It suggested that the development should have occurred adjacent to the Perth Children's Hospital—an excellent piece of infrastructure that was initiated and well-progressed by the Barnett government.

We have a situation that I am sure members opposite talk about in their discussions behind the chair and outside in the courtyard or anywhere else. There must be some concern. I will put aside the damning lines in here and the table on page 11, which is a sea of red and orange. If members choose to read this report, they may see overrun costs and times that the Deputy Leader of the WA Liberal Party and the Leader of the Opposition have raised. Those projects are now dragging well behind time. Going beyond that, members should think about the need for transparency and how the people of Western Australia will respond at the ballot box. The people of Western Australia demand transparency, but the problem is that all along this process, they have been told that all these things were going to be done by 2025.

We had some commentary in this place earlier by means of interjection about the quality of opinion pieces. My recent opinion piece on this very issue included some more advice for the Parliamentary Labor Party.

Several members interjected.

Hon NEIL THOMSON: These projects are now going to pile up like a pile of manure!

The PRESIDENT: Order!

Hon NEIL THOMSON: The term I used for these projects and delays was “a sea of red”. There is going to be a pile of manure at the door of the 2025 election. My strong advice for those in the Parliamentary Labor Party would be to take some action in caucus and speak up about the conflict of interest regarding the Minister for Transport also being the Treasurer and the need for the Minister for Finance to step up and take account of these transparency issues for their own sake and the sake of the people of Western Australia!

HON STEVE MARTIN (Agricultural) [11.14 am]: It is always good to get involved on a Thursday morning. I rise to make a contribution to this excellent motion moved by my colleague, Hon Dr Steve Thomas. It is outstanding work for a Thursday morning. I will talk about a couple of points in the motion. We are particularly talking about the sixth report of the Office of the Auditor General, *2023 Transparency report: Major projects*. Page 11 contains a report card. For the benefit of *Hansard*, I am waving around a report card that is so red—I know what red means in report cards—that I have not seen anything like it since grade three at Wickham Primary School when I was not flying. This report card is similar to some of my best work. I knew what it meant when I took that report card home to Mum and Dad. For the Leader of the House to stand up and say that there were no significant issues—just have a glance at the report card; it is probably in the document. It is a sea of red.

I will get to a couple of the specifics in the report from the Auditor General. Sadly, the first item on the report card list was delayed by 58 months. The long-suffering residents of Geraldton and the midwest can now claim the title of having the longest delayed projects amongst the 20 projects being considered by this report. I did a quick bit of

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research about the time to build significant projects in the history of Australia. The Sydney Harbour Bridge—a fairly significant project—took eight years. Apparently the Narrows Bridge was done in two years. The goldfields water supply scheme from Mundaring to Kalgoorlie was commissioned in 1896 and was completed in 1903. It was a very significant piece of infrastructure. Geraldton hospital was promised by the Labor Party at the 2017 election and in every subsequent budget. It has blown out in costs.

Hon Darren West: You promised it to us, that is one difference—we are delivering it.

Hon STEVE MARTIN: “We are delivering it”! That is good news, Hon Darren West. I have been over this sorry track record before; “we” have delivered a car park. It is 2023. We have now been told that the proposed completion date is 2027. That is a decade. There is every chance that unless the scope of work changes, it will be out of date. I hope it is not. The people of Geraldton and the midwest deserve better. Geraldton hospital is number one on the list of project delays in the Auditor General’s report. It is very disappointing news for the people of Geraldton and, might I say, for the very hardworking medical staff and professionals in that facility.

The Leader of the House mentioned what we all know about: the post-COVID period. There are significant issues in the construction sector and there have been some cost blowouts. Of course, she did not mention that from 2017 to 2019, we did not have COVID. They could have gone on with it and done some stuff with housing and Geraldton hospital in particular. That did not happen. There have been some significant issues and delays post-COVID. The problem is that they have not let the local members know. The local members are still running around there saying “It is about to happen!” We just heard Hon Darren West say “We are delivering it.” No, the Labor Party has not. In seven years, it has built only a car park and a new significant main entry to the building. In fact, in an opinion piece on 22 November, Lara Dalton, the member for Geraldton, said —

I’m excited to announce that we are moving forward with the \$122.7 million development out for tender today ...

...

The first stage of the works is complete —

Absolutely, we know that —

and includes more car parking, —

The government is giving it another run —

a new ambulance entry and a reconfigured main entry.

That means that we have a door and a car park! That was worthy of an opinion piece, apparently. In response to the Auditor General’s report, again Lara Dalton said on the ABC that the city’s long-awaited hospital redevelopment is a top priority of the Western Australian government. It is a top priority!

Hon Dr Steve Thomas: It has been for years!

Hon STEVE MARTIN: It has been for years and years. It remains a top priority because it is number one on a list of delayed projects. We will see how we get on.

In the short time I have left, I would like to touch on another project that is not on this list, but it relates to paragraph (b) of the outstanding motion moved by my colleague Hon Dr Steve Thomas, which states —

notes the blatant lack of accountability and transparency that have become a regular part of the Cook Government’s performance ...

Both Hon Dr Steve Thomas and I have asked a series of questions over the last year about the \$72 million in the agricultural supply chain improvement fund allocated for the Narrogin to Kulin, and possibly Wickepin, line. I obviously declare an interest here: I live in Wickepin. There has been \$72 million allocated to recommission that line and a study has been done on the viability of the line. We have been asking over and again whether the case stacks up and whether the business case works. We have \$70-odd million of state and federal money parked—it has been parked for a long time now—and waiting for a home. The locals will tell us that our road network in regional WA needs investment. It always does. That is what happens with road networks. We have \$70 million that is not being used at the moment. If that business case stands up, let us know. I again asked on Tuesday whether the business case has been finished, whether the minister has received it, whether she will make it public and, if she will not, why not. The response was that the analysis of the business case is continuing. I know for a fact that the business case has been done. The locals have been spoken to. The shire and businesses have been approached. They have done the round tables and they have sat down and mapped it out. That work has been done. Another harvest is looming—in fact, another harvest has started—yet still there is no decision on whether that line will be recommissioned or whether the money could be quickly used on a road network that badly needs it. Of course, one of the reasons to

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spend that money is that ASCI mark 2 will probably not get rolled out until the money for ASCI mark 1 has been spent. That is how this works: no-one gets more money from government until they spend the first bit they have been given. There is no transparency about that.

The third part of the question I asked the other day was whether the business case looked at the cost–benefit analysis of the railway line being recommissioned compared with investment in the road network. That is crucial. If there are tonnes of grain on that network that need carting, we need to know what is the best business case result. Again, there has been a complete lack of transparency about that very important bit of funding that is just stuck there. That is very disappointing and I think it speaks to the responses that we get over and again about government investment in significant infrastructure.

After the Leader of the House’s response, I think I need to read into *Hansard* one more time the Auditor General’s overview in the most recent report. It has been referenced by a few others, but I will do this one more time for emphasis. It states —

This is my Office’s third transparency report on major infrastructure projects since 2020.

It then refers to things that have happened —

However, there has not yet been progress on our previous recommendations for regular and accessible public reporting on the cost and time performance of individual projects.

That is fairly damning, and the Leader of the House did not acknowledge that —

Public information remains static and disparate, making it difficult to understand how projects are progressing and when the benefits they are designed to deliver will be available to the community.

HON SANDRA CARR (Agricultural) [11.24 am]: I rise to make a few comments on the motion and obviously to not support the motion. I want to talk in particular about some comments made about Geraldton hospital, but it is particularly important to contextualise that. I would like to highlight some information that came from the Regional Australia Institute just last month that shows that Geraldton has had a 395 per cent increase in internal migration, making it the fastest growing regional city in the country. Coincidentally, we have had a change of local member.

Several members interjected.

Hon SANDRA CARR: Before I continue, I would like to point out that I will not be taking interjections and that I respectfully listened to the comments of other people on both sides of the chamber.

Our local member has done some fantastic work in Geraldton and continues to deliver. For context, the reason that people are flocking to our town in droves is that after 12 and a half years of inaction, lack of infrastructure build and undelivered promises, including Geraldton hospital, we have a member who is delivering and is proactive and does what she says she is going to do. She promised a \$4.9 million Geraldton cycling network expansion. Stage 2 of that was delivered and it opened in July this year. There were people cycling along that path at the opening and we had to move out of the way a couple of times. That is how valued and appreciated it is. She made an election commitment of \$3.5 million to deliver a basketball stadium upgrade. That has been delivered to the over 2 300 members of the Geraldton Amateur Basketball Association. That delivery has had a great impact in the Geraldton region. I know that because my son played his first ever game of basketball last night and he rang me about it because he was really excited. She has secured \$332 million for the Geraldton port. She has worked hard to secure an additional airline for Geraldton to make sure that our growing population can get into and out of Geraldton, including direct flights north to Geraldton. These are fantastic deliveries for Geraldton and are really substantive achievements by the member for Geraldton, Lara Dalton.

Onto Geraldton hospital, because Hon Steve Martin and the honourable Leader of the Opposition raised a really great point: the hospital has been promised for a while. It was promised for a very long time by the Liberal member at the time, Ian Blayney—and then he became a National just to really make sure that he could not deliver it! Since Lara Dalton has been the member for Geraldton, she has ensured that the expressions of interest went out. Three tenders were deemed suitable from that expressions of interest process. We are now at stage 2, which is the request for proposal. It is in process. It will get delivered. I note that Hon Steve Martin talked about the delivery of a car park. Can I say that that is a car park more than the previous member of 12 and a half years ever delivered. I also refer to another comment made by Hon Dr Steve Thomas. He said that the people of Geraldton and the midwest deserve better. I say that they have it now. I acknowledge that and agree. Well done to Lara Dalton. The hospital will be delivered.

Motion lapsed, pursuant to standing orders.