

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

2018–19 BUDGET ESTIMATES



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 20 JUNE 2018**

**SESSION ONE
PARLIAMENTARY SERVICES DEPARTMENT**

Members

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

Hearing commenced at 9.00 am

Ms KATE DOUST

President of the Legislative Council, examined:

Mr ROB HUNTER

Executive Manager, examined:

Ms PATRICIA TRAEDE

Deputy Executive Manager and Director of Member and Operational Support, examined:

Ms ELMA OZICH

Chief Finance Officer, examined:

The CHAIR: This is the 2018–19 budget estimates hearing with the Parliamentary Services Department. On behalf of the Legislative Council Standing Committee on Estimates and Operations, I welcome you to today's hearing. Can each of the witnesses confirm they have read, understood and signed the document headed "Information for Witnesses"?

The WITNESSES: Yes.

Mr HUNTER: I would like to make the point that Patricia has lost her voice today so it might be hard to hear her when she does her first statement.

The CHAIR: If we have questions for you, Patricia, we might ask you to translate it to Elma, and then she might say it on your behalf, because we are also broadcasting live, so we do need to hear the answers out loud, and Hansard will as well.

It is essential that the testimony that you give 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. It is also being broadcast live on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. If for some reason you wish to make a confidential statement during today's proceedings, you should make a request that the evidence be taken in closed session before answering the question. Agencies have an important role and duty in assisting the committee to scrutinise the budget papers. The committee values your assistance with this.

Madam President, do you have a brief opening statement to make, no more than two minutes?

The PRESIDENT: No, Madam Chair. I think we might start with questions and perhaps if there are additional comments to make, then I will add my comments when we receive those questions.

Hon DIANE EVERS: My first question relates to page 42. "Government Office Accommodation Reform Program" shows a decrease in each of the outlying years for accommodation. I am just interested to know where the reductions are being made and what accommodation it is referring to.

The PRESIDENT: I might ask Mr Rob Hunter to respond to that and then I might make some comments about the accommodation.

Mr HUNTER: The accommodation refers to 11 Harvest Terrace. We are on level 2. It is for IT and finance, where Elma's staff are. Recently we did a lease renegotiation, entering into a new lease temporarily for two years. In actual fact, it will conclude on 17 December 2019 until such time as

the fountain accommodation is prepared and ready for people to go into it. The reduction in our budget of \$77 000 represents the lease negotiation savings that we had hoped would be retained by Parliamentary Services so we could put it back towards building works. However, the government accommodation office harvests that money and that has been deducted from our budget.

Hon DIANE EVERS: The capital appropriation is set at \$1 million in each of the outlying years. What items are intended to be purchased in those years?

The PRESIDENT: I might respond partly to that. That amount has been consistent for a number of years, and you will probably appreciate that \$1 million does not go terribly far in the modern world. There is a long list of maintenance issues required in this building. Those matters have been previously canvassed with not just this government but earlier governments as well. You would note that it is an ageing building. We have issues with failing air conditioning. We have a number of parts of the building where air conditioning has already failed, being in the kitchens, a number of MPs' offices and I think there is a third part of the building where we have seen a failure of air conditioning.

We have leakages in the roof. Currently, if you work out of the National Party room upstairs, they have buckets in their rooms because the roof has been leaking. There have been problems with leaking through the ceiling of the Indigenous people's room and in a couple of other parts of the building as well. There are issues around carpets, paintwork, timber frames on windows. I think glass—there is any number of problems of maintenance that are required. You would have noticed that over a period of time there has been extensive work done out in the courtyard both with the pavers and with the enclosed area, trying to remedy problems there.

There are ongoing issues around MPs' offices, maintaining the standard in those offices, furniture, kitchen updates. There are issues around IT requirements. Security is a totally separate area, but there are matters there. But in terms of the physical infrastructure, given that the back part of this building that we are currently sitting in is over 100 years old and the front part is more than 50 years old, there is indeed a long list of maintenance, and \$1 million does not cover it. Mr Hunter might provide some additional data to you about the long-term expenditure that is required to bring this building up to an appropriate standard not just in terms of the infrastructure standard, but in terms of ensuring that we maintain a safe environment both for the members and for the visitors who we have coming in.

I must say that over the last couple of years, we have seen an increase in the number of visitors to this building. We have also seen an increase in the number of people working out of this building, which puts further pressure on how the building is managed. There is a flow-on to the types of services that are provided throughout the building. So, one of those examples is that we have an additional 28 people working in this building and I think that will actually grow shortly with a few new people coming in for other purposes. You are trying to accommodate a significant number of people in an ageing building.

Just going back to that air conditioning example, we are in the situation where currently—I think there is one of these members sitting in this chamber; Hon Ken Baston is one of those people who does not have air conditioning in his office. Sadly, the Parliament is not in a position to be able to rectify that until much later this year, because it is not just about fixing the air conditioning problem. I understand it is about removing ceilings and replacing systems and it is a very expensive exercise, which I think is up to —

Mr HUNTER: I think it is about \$480 000 to do that particular area.

The PRESIDENT: It is a very expensive exercise. At some point, we would hope that the government might give consideration to increasing that amount that is allocated per year or possibly looking at a separate allocation to enable Parliament to be able to make some significant repairs to the building.

Hon DIANE EVERS: Thank you. That was very comprehensive. It sounds like you are saying the list of that—it is more the maintenance budget that is really under-resourced as well as capital improvements.

The PRESIDENT: You would be correct on both counts.

Hon DIANE EVERS: My final question is: with regard to the parliamentary survey, I was wondering whether you have an annual cost for what that survey takes to administer and I am wondering if maybe we just need it every two years, rather than every year, understanding that it is part of the KPIs and you have to be able to address that?

Mr HUNTER: The annual survey is obviously a once-a-year thing. It is done by something called SurveyMonkey. One of them we tried to do electronically, but, unfortunately, members, despite being savvy in their technology, are more inclined to do something when it is put on their chair in the chamber. So, we have gone back to a hardcopy. The cost involved is a subscription for SurveyMonkey, which I think is in the order of about \$350–\$370 per annum. Once that is compiled, the data is entered by a staff member, who is my executive assistant, so it is in terms of time and hours that is put in it, but that is really the only cost. The collation is time-consuming but overall it is not really expensive to run.

Hon TJORN SIBMA: Madam President, I seek a bit of clarification. I am referring to page 43 of budget paper No 2, volume 1, and in particular the table that refers to services. In respect of service 2, “Provision of Information and Services”, are we to assume that those services also include the provision of security services or safety services to the building?

The PRESIDENT: They do include the provision of security services yes.

Hon TJORN SIBMA: I was interested by your remarks earlier about the increase in the number of occupants of the building and the visitation at Parliament House across the year, which seems to be increasing. What pressures does that demand or the throughput of personnel put on the provision of appropriate security?

The PRESIDENT: I suppose we have seen a significant increase, and you can break it into categories. We have seen a significant increase in the number of students and members of the public coming into Parliament, and of course we want that to happen. We are very keen on making this building much more accessible to the public and of course having students come here so they can improve their understanding of how Parliament operates and the work of MPs. We have seen a significant change. The estimate for this year, they anticipate more than 15 500 students will come through. In terms of members of the public, that is either through meetings or tours and we have a range of options there. Those are all managed. We, of course, have security staff down the front. We have also seen an increase in the number of activities at the front of the building. You would be aware of the range of rallies that occur on a regular basis and other activities. Of course, we have the assistance of our own security staff, but also through the police with the protective services officers that patrol around the building. Because of a funding issue, we cannot necessarily provide the gold-class security system that we would like to be able to afford. Obviously, with changing times, you would look to change the arrangements at the front of the building so that you would reduce the potential problems there. You still have a car park out the front; we still have people moving through

in their cars where we have people in rallies and people moving in and around the building. From time to time, you have people bringing products into the building that staff have to remove.

[9.15 am]

Perhaps other arrangements could be put in place but we do not have that. In terms of the additional staff coming into the building, from time to time, as you would be aware based on messages from the Presiding Officers and from Mr Hunter himself, there have been instances around the misuse of passes and, on the odd occasion, passes have had to be removed from people because they have either provided them to other people or other situations have happened. I think it is an ongoing issue. It is one where I know that there have been discussions about security could be improved in the building and I think things have been tightened up. I know, certainly now for people accessing the building on a more permanent basis, certain checks are made for people coming in. For example, your electorate staff, if they want to have access to the parliamentary building, they now have to provide appropriate personal information plus a police clearance and that also applies to staff working here. That is a minimum standard. Also, obviously for visitors coming through, they go through the check downstairs for bags and for themselves. Mr Hunter might be able to add some additional words about some of the proposals or some of the changes, but of course all of these things require dollars. You are aware of our limited budget. Again, that is something we would hope to look at in the future. There is ongoing discussion now about how changes could be made to the front of the building to provide a better and more secure element that would still enable people to rally—to gather—because it is important that people come to the Parliament and have access to the building. We want to make sure that we engineer out, if you like, any of those possibilities that could cause concern or difficulties in the future. I might get Mr Hunter to add —

Hon TJORN SIBMA: Before Mr Hunter might interject, that last piece of your testimony, Madam President, was very interesting because I see the current arrangement as a recipe for disaster with the agglomeration of large groups of people in an area where vehicles can transit in and out, unimpeded. You do not need to be too imaginative to conjure up a worst-case scenario. Would there be a proposition that the Parliamentary Services Department has worked on which would, as you said, engineer out or mediate that risk, which is a risk to the public, I would say, more than possibly a risk to a member of Parliament?

The PRESIDENT: There have been some discussions and I know that at a recent Parliamentary Services meeting there was some flagging of that discussion. It is a work in progress so I will get Mr Hunter to provide some more detail about that discussion.

Mr HUNTER: Thank you for the question. Just in terms of talking about security, just be sensitive to the fact that we are not going to go into detail about some of our mitigations because, obviously, those are important things.

Hon TJORN SIBMA: Of course.

Mr HUNTER: We do have a very comprehensive plan around our security to the extent that we can afford to provide security. When we look at security, we look at a number of things. One of them is the surveillance aspect of it. Can we keep an eye out for suspicious activity? Can we ward it off at the entrances and prevent it from entering the building? It does not deal with that issue around vehicles at the front. It is a question of whether we have got the appropriate infrastructure. The infrastructure is really the door controls and the processes that we put in place for things like passes et cetera. That monitors a bit of activity. It relies on a lot of goodwill from members of Parliament, staff and the like to not share their passes and for people to take care of those things. That is quite hard to do. The last part is about how we respond to a particular security threat if it emerges. The important part, when looking at security, is to make sure that you do not overdo a certain aspect of

it but balance what the real risk is. In Western Australia so far, people are saying that the risk in Western Australia is quite low but, of course, that is until something happens.

Going to the front, at the Parliamentary Services Committee meeting in May—it might have been earlier than that—we discussed a proposal where we looked at mitigating the threat for, I think what you are basically saying, a vehicle ramming into a crowd and the potential damage from that, and how we can mitigate against those risks. Some of the easiest things to do are to prevent vehicles going through there, but, then again, it is a thoroughfare, so as a thoroughfare it is quite difficult. People park at the front. So the mitigations that we have talked about include introducing chicanes on either side of the square quadrangle. Those chicanes would be an environmental barrier, so it would look something like a nice garden, but it would restrict a vehicle's speed to less than five kilometres an hour. Obviously, as soon as you do that, you reduce the potential risk and the damage that might be caused by that. Because we have discussed it at a Parliamentary Services Committee meeting, I am happy to talk about it here. Then we would look to introduce bollards or what we call pop-up ramps that would stop vehicles from being able to come through. We need to be able to give access to emergency vehicles—fire, emergency and ambulance—and perhaps when VIPs come, you might want them to come right up to the steps, so it needs to be something that is managed. You would not have it closed necessarily all the time, but if we had a rally like yesterday where a rally was booked for an hour for 30 people and we ended up with 400 people for three hours, and people are locked in or locked out, you have the inconvenience aspect of it—not the security aspect—and then the security aspect. Each time we have a rally out there, I must admit I do get a bit anxious about not what the crowd will do, but what might happen to the crowd. Knowing that and not being able to mitigate it is a problem, particularly given that the Australia–New Zealand Counter-Terrorism Committee has established guidelines, which are publicly available, open source, and ask organisations where people might gather en masse to do a checklist to see whether or not you have appropriate controls in place. I would dare to say that most places would have failed that checklist because it is quite an onerous requirement. For us to be able to mitigate against that particular thing, we are probably looking to—I am going to hope that Patricia either nods or shakes her head—the tune of about \$400 000 worth of work to modify that front and move the visitor parking to an alternative spot, which we propose would be down on the southern driveway as you come down past the old tennis courts. We could introduce new parking there and then there would be no parking out the front. I think that would go a long way to reducing the risk.

Hon TJORN SIBMA: Mr Hunter, that is more or less a fully costed proposal for some pretty sensible and practical safety measures. Has that been, or will it be, subject to a budget proposal?

The PRESIDENT: These discussions have really been happening over the last few months, so we have not had the opportunity to move that proposal forward, but, yes, it would be. The Parliament certainly fully appreciates the difficulty the government has had and we know that there has been significant cuts right across the board. Certainly, the Parliament has been impacted by those cuts as well. Security, of course, is a major concern for everyone. So, yes, it is a matter that we do intend to progress.

Hon TJORN SIBMA: Madam President, I think at the outset you mentioned there might be a different way that we manage or fund parliamentary services and effectively take it out of the gift of executive government or the Premier's department. Might there be a model of funding in an Australian jurisdiction, be it state or commonwealth, which might serve as a useful guide?

The PRESIDENT: It is an interesting proposal. I am not aware of other arrangements. I am happy to look at any other option that would enable us to perhaps source additional money. The difficulty at the moment, as I said, is we know things are very tight, but at some point you would hope that when

things improve, Parliament might become more of a priority. The reality is that regardless of which party has been in government, the Parliament is not seen as a priority. It is not something that attracts the attention of the public in terms of wanting to pour money into the Parliament to fix it. In fact, you would find that the media usually goes out and hammers the Parliament if money is spent here. The reality is that it is an ageing building. It is a building that we need to maintain. Whilst we are overcrowded and there are significant problems here, we have identified the priorities and it is the intention to work through those priorities over a period of time to try and fix them. The problem you have—it is just like any old house. You are constantly trying to fix the old problems, but you never quite get ahead. It is our intention to continue the discussions with government on an ongoing basis to try to find ways to source additional funds for particular projects over time and to see what we can do to speed up the process so that we do not have major failures on an ongoing basis.

Hon AARON STONEHOUSE: Madam President, I was wondering if you could tell us—maybe this is a better question for Rob Hunter—about the IT services in Parliament House and what work is ongoing to update those services. I am talking about services to members of Parliament but also services for the public, the website, the broadcasting services et cetera. I am also wondering if IT upgrades are coming out of the capital investment expenditure shown in the budget here or if those are coming out of the provision of information services line item?

The PRESIDENT: I might get Mr Hunter to talk about what has happened with the website update because there is some quite significant work that has happened there and to talk about some of those other matters that you have canvassed. Then I might make some comments about services to MPs in relation to IT.

Mr HUNTER: In terms of the budget, we will go to that part first. Of the capital budget—the \$1 million that we get per annum—around a quarter of that is directed towards IT services. That is generally back-office stuff. It could be things like server upgrades, switching gear et cetera. That tends to be around about that amount. The money is a little bit directed towards the fountain redevelopment at the moment, even though we did put about a quarter of a million dollars into IT this financial year. The problem that we have with our IT systems and the question that we have been quite often asked is: why are we not more innovative with our IT systems? We are using a database system called Lotus Notes, which you may be familiar with. It is a system that is extremely robust but it is also quite rigid and does not have the flexibility of a .NET environment. That gives us a lot of in-house dependencies because we have to have somebody with Lotus Notes skills, which, in Western Australia, is actually quite rare. What we have done now is we have engaged a company called Primaxis, which is a company that is out of the eastern seaboard and they are providing us with support services for Lotus Notes. Notwithstanding that, that provides us with a short-term solution to the Lotus Notes issue, which is really quite a driver for our innovation. We are also looking at a migration plan, which we suspect will take between three to five years to move from Lotus Notes to a .NET environment and give us a few more options in terms of what we can provide. It will also give us access to an abundance of skills both in Western Australia and in the east. That plan is in the early stages. We initially said, and I said this at the Assembly estimates, that we thought it was somewhere around \$300 000 a year for five years to transition off that Lotus Notes platform. The figures I have heard in the last couple of weeks anecdotally come in a little bit cheaper than that, which is good news. We have a consultant who is working on bridging Lotus Notes to a .NET environment and transitioning parts of our databases off that. That obviously affects the services that we provide.

Quite a lot of work has been done on the website. We have spent somewhere in the order of about \$75 000 in design; that is the look and feel of the website. It is very contemporary at this point in

time; in three years' time, it might not be, but at this point in time, we have had a project manager working on that. The design has been put together and there has been considerable consultation. The look and feel of it is quite good but, as with anything in terms of a website, you have the front end, which is the part you can see, and the machinery at the back is what drives it. At the moment, our database is a Lotus Notes database, so we are pulling it from old technology, if you like, or old systems, to produce a nice, contemporary look and feel. The next stage of that, which I think is around \$72 000 as well, is the technical design. We have done the look and feel; now we are going to the technical part. We expect that that will be completed probably sometime in September this year and then relaunched. It will look completely different.

[9.30 am]

Hon AARON STONEHOUSE: Just one more question: the top table on page 44 shows that the variable cost for maintaining the grounds and the buildings of Parliament House has decreased from 29 per cent in 2016–17 to 17 per cent for 2017–18. Does the department undertake any specific measure to achieve the reduction in variable cost?

Mr HUNTER: No, we have not taken a deliberative measure to do that. Sometimes it is also about how we apportion our funds, so depending on our priorities, we will either give more funds to a particular area or fewer funds, depending on what is going on. No, it has trended down. We have got some very efficient people in our building and gardening areas, so they find very good ways, economical ways, to do things. I suspect that trend will continue; however, there might be a more technical reason for the figures to change, which Elma might be able to add to.

Ms OZICH: If you are looking at the 2016–17 year when it has a higher percentage, that was during an election recess period, therefore there was the ability to do more work because there was that big a gap when the various chambers were not being used, so that is the reason that it sort of peaked in that year and it is a bit more for these other years.

Hon COLIN TINCKNELL: You have answered so many of the infrastructure and facility questions so thoroughly that probably my first five questions I had planned have all gone, so I am going to be a bit more specific on the budget. I refer to budget paper No 2, volume 1 at page 42 and the new public sector wages policy in the spending changes table. Due to the measure in 2018–19 there is a budget estimate reduction in spending of \$45 000, \$177 000 in 2019–20 and \$198 000 in 2020–21. Given the \$420 000 total, how will that reduction impact parliamentary services?

Ms OZICH: That reduction is based upon what we had previously built into the budget, therefore by having a smaller percentage increase we do see a cut come through. The other thing is that we also take a cut in not having one position that was previously funded by the streamlined budget process. They are the main reasons that we have a cut.

Mr HUNTER: The two things that you are seeing in a decrease in funding, if you like, the \$161 000, is the streamlined budget process, which you may be familiar with, and that is something given to agencies that do not ask for additional funding. I made the point in Assembly estimates that we asked for additional funding for a number of things because we were underfunded to the tune of about \$13 million in the next 10 years, and because of the fact that we had asked that question, we lost the \$161 000 that would have otherwise received this financial year. The direct impact of that is that we then have to look at our services again—either services to members or services that we are providing to the general public—and look at how we can prioritise those. It might be subtle, but we do see a reduction in services.

The CHAIR: Sorry, could I just seek clarification. Because you asked for more money, you lost \$160 000?

The PRESIDENT: That is correct.

Mr HUNTER: Yes. We knew when we asked the question that it was a risk, but it was worth asking the question.

The PRESIDENT: This comes back to that earlier comment about the fact that we have got substantial failures starting to occur for example in air conditioning and not having enough money to pay for that now. So, you have to look around at where you can find savings from other parts of the building to fund that and you start to think about what services are available and where you can tweak them to find those additional dollars. Whilst the members would not have noticed any significant changes, it may be that at some point in the future you do need to make a significant change that will impact on people to find those additional moneys at some place until we can get it done more formally with an increase.

Hon COLIN TINCKNELL: I also refer to budget paper No 2, volume 1, page 44 and service 1, “Provision of Infrastructure and Facilities”. I note the two items and in particular “Percentage of Variable Costs Expended to Maintain Parliament House Building and Grounds”. Can you explain what is meant by “variable costs” and how they are calculated?

Ms OZICH: When you are working out what the variable cost is, you actually start off with a total cost of that specific service and then you take off all the costs of salaries and statutory and contractual obligations, and the figure that is left behind is the variable cost. That is how we come up with that.

Mr HUNTER: It is an interesting question in the context of our overall budget as well, because we have an operating budget of about \$17 million; that is our recurrent funding. It sounds like a lot of money, and certainly to the public listening that is a lot of money, but if you have a look at what that is actually made up of, in a household the equivalent analogy would be what your disposable income is after you have paid your expenses. In our case, we have somewhere in the order of around about 75 per cent of our costs related to just staffing and personnel, and when you take that off our recurrent budget, you have got to meet the costs of things like electricity, gas, cleaning, security et cetera—things that are outside our normal staffing costs. That then brings your disposable income down to a very small amount. To answer the question was previously asked about whether it is generally maintenance that the capital is used for, the capital is used for maintenance because we do not have enough money in our recurrent budget to deal with maintenance. With capital there is often the assumption that you are building something, and sometimes we do, by and large our capital and the remainder of our recurrent is spent just in trying to maintain a heritage building.

Hon COLIN TINCKNELL: I am very happy we invited you to this hearing; it is good to hear this.

Also, what explains the 29 per cent calculation in the 2016–17 actual compared to the 15 per cent budget target?

The PRESIDENT: I might just pick up an earlier response that was also related to this. I think part of the difference there is also explained by the fact that we had a fairly extended period of time when the Parliament was not sitting from just prior to election until early last year, so, again, a significant amount of work was able to be done during that time when members were not sitting. As I understand it, it is always cheaper to manage Parliament in terms of dollars when members are not here. In fact, I am advised that it costs about an extra \$30 000 per week each sitting week as opposed to a non-sitting week, so it is much more expensive to have us here than not to have us here. The Parliament uses that period of time to get a significant amount of work done in and around the building, and it is obviously more cost effective and more time effective to do that when members are not here.

Mr HUNTER: But not as much fun!

Hon COLIN TINCKNELL: I refer to budget paper No 2, volume 1, page 45 and “Income Statement”. What explains the \$747 000 surplus in the 2016–17 and the actual becoming a \$29 000 deficiency in the 2018–19 budget estimate? How do we explain that?

Ms OZICH: We had the surplus in the 2016–17 year because we underspent our funds, but when you are doing your budget, it is done before you have the results of that particular year, so it is not factored into the budget year figures. Generally, we budget just slightly over our appropriation, so that is why there is that big gap in figures.

Hon KEN BASTON: I am very pleased to say that most of my questions were covered very well in Madam President’s opening remarks, but I just have one on the finances in the cash assets. What exactly are the cash assets? You can understand it being cash left over —

The PRESIDENT: Sorry, what page number is that, member?

Hon KEN BASTON: Sorry, that is on page 42 of budget paper No 2, volume 1, and halfway down the page in appropriations, expenses and cash assets, you actually have cash assets of \$883 000 dropping to \$660 000 and then continuing on at \$883 000 in the out years. What do they actually contain? How are you able to keep those if they are actual cash?

The PRESIDENT: I will ask Ms Ozich to respond to that.

Ms OZICH: Are we talking about the \$883 000?

Hon KEN BASTON: Correct.

Ms OZICH: That actually is our cash, basically.

Hon KEN BASTON: So you very carefully balanced it and that is what you have left over in cash each year for the outgoing years?

Ms OZICH: Yes, because each year, your budgeting that you actually spend, everything that you are allocated and therefore the cash will be constant throughout the year as to what the opening position was.

Hon KEN BASTON: Okay, thank you.

Hon PIERRE YANG: In terms of the after-hours security officers and the cost of them, I just have a general question about the small charge that is put on when, say, a member wants to have a function that is held after hours and members are required to pay a small fee. That fee is very reasonable and I wonder whether it covers the actual cost for the Parliament hiring the security officer?

The PRESIDENT: Thank you, member. I am pleased to hear that you think that cost is reasonable; we might have to reconsider that! I know that some members have queried that, but it is something that Parliament has had to do. We have seen an increase in the number of functions being held in the building after-hours and given the changes to security arrangements in the buildings and people coming in from various entry points, the decision was taken that security staff needed to be on board at those times and that cost would be borne by the individual member who is hosting. I think it is a reasonable cost. Mr Hunter might provide information as to whether that is the accurate cost. My usual take on these things is that quite often the Parliament underscores the actual costs and subsidises. I think I would take a more user-pays approach to these matters, but, look, it has become the standard. I think most members accept that if they want to hold a function outside of hours and there are additional services to be provided—be it security or catering—they pay those costs.

[9.45 am]

Mr HUNTER: The question that you asked was just about security, but when you look at things after-hours particularly, the Parliament has business hours but then after-hours it becomes quite challenging, because you assume that if you have a function here that you get a bit of catering and get some security and it is all done and dusted, but of course there is also power use, cleaning use et cetera. Madam President is right that we are fairly generous in terms of our fee structure, because we do not make any margin at all; most likely we probably make a loss on it. But what we do not want to do is hamper members from being able to do things that they need to do to get on with their jobs.

Because we do that, we do need to recover something, because we have this diminishing balance of funds available to do the things that we need to do for the building. We have now put those costs onto the members. It was not received overly well, I must admit, but it is very difficult. Once that function space has been cleared out, our catering staff—we do not bring in contract staff, because our staff are familiar with the building, they are familiar with the members, the service is better and obviously sometimes there are things like an emergency response after hours that needs to be dealt with. We still have a duty of care and obligation. We use our own staff. Essentially, all we are doing is just paying them overtime and then passing that cost on, albeit we probably absorb some of those costs more than we should.

The PRESIDENT: I suppose, Madam Chair, this comes back to part of the earlier question I think from Hon Tjorn Sibma about some of our accommodation issues. I talked about the overcrowding issues and the additional people here. I probably was not clear enough to say that it is not just having those people physically in an office in the building; it is also all those other costs such as the ones Mr Hunter referred to in terms of cleaning, catering, electricity and the other services that are provided and are not paid for. Parliament has to find the dollars to accommodate those additional bodies in the building, so there are lots of hidden costs, if you like. We have not yet determined a way forward on how we would recoup some of those dollars for those additional bodies in the building. In some cases, that is also linked to costs such as parking in a couple of examples, which the Parliament pays for still.

The CHAIR: I might just seek clarification on a few questions that have already been answered and then go back to members for one more each. The accommodation savings—was it \$16 000?

Mr HUNTER: The \$77 000.

The CHAIR: Correct; \$77 000, sorry. Does that go back into consolidated revenue?

Mr HUNTER: Yes.

The CHAIR: So the Parliament has contributed back into that?

Mr HUNTER: Yes.

The CHAIR: Okay. Secondly, you talk about the costs of maintaining a heritage building. This is a heritage-listed building; it is one of the iconic buildings of Perth, if not WA. Are there any regulatory requirements, as a heritage-listed building, that the Parliament is required to meet, and are we meeting those adequately?

The PRESIDENT: Mr Hunter can answer that; he is right across all those issues.

Mr HUNTER: There are a number of things that you do need to do, particularly when doing any works in the building. I will just give some simple examples. If you do anything on the external of the building, clearly it is a heritage issue. The eastern facade is listed as the most significant, so anything on the eastern facade, the city-facing side, requires extensive consultation with the Heritage Council. We have a fabulous relationship with them. What we tend to do is to have informal

discussions with them in the first instance just to get their perspective. We will always use a heritage architect, which is one of those compliance requirements, to contribute to the design so that we do not find that we are wasting money on design and then coming back to the drawing board, so to speak. There is that aspect of it. There is a conservation plan, although it is somewhat antiquated, which takes into account things like —

The CHAIR: Clearly it is antiquated if we have got buckets in each of the accommodation offices.

Mr HUNTER: Yes. So heritage tends to deal mostly with the aesthetic stuff, and obviously any additions and things. The nature of heritage is that it needs either to be completely contemporary and I guess contrast starkly to the existing, or to complement it. It is actually easier to get things that are starkly contrasted against the heritage-listed building, which is not our preference, by the way; we prefer to keep it the same, as we have just done with the universal access toilets, where we have put the same fabric as we have on this building. We are very conscious of that. The process for us in doing things externally is that we would get a building permit, we would get an architect in and we would submit to the Heritage Council, the City of Perth and WA Planning. Obviously, the parliamentary precinct policy comes into play as well, which is managed by the WA planning committee. Those are the things we comply with. Inside the building, if we were to do things as simple as changing a doorway, altering some glasswork or shutting out light in a hallway, for example, those still need to go to heritage. Each time you go through a planning process or to the Heritage Council or you get a heritage architect, it costs money. It is very significant.

The CHAIR: Clearly there are additional costs for the Parliament associated with a heritage building.

Mr HUNTER: Most definitely.

The CHAIR: I might come back to members for one question each.

Hon DIANE EVERS: I have two, but they are very short. One is on receivables. It shows \$149 000 going out into the forward years. What are the receivables? Is that just basically our monthly members of Parliament statements or are there other people?

The PRESIDENT: I might ask Ms Ozich to respond to that.

Ms OZICH: The largest receivable that we would have in our balance sheet relates to GST receivable from the ATO.

Hon DIANE EVERS: And do you expect to always end the financial year with an amount to be received from the ATO?

Ms OZICH: Yes, we do.

Hon DIANE EVERS: The other one is on the works in progress on page 45. The asset refurbishment and replacement program shows a total estimated cost of \$16.5 million. How many years does that go back to, and was it set from any particular year?

Mr HUNTER: I often laugh at this number. Consolidated revenue—I will say “Treasury” in this case—put a line in the sand at some point some years ago to say that this is the investment that will go into different agencies. The amount you see there—the \$16.458 million followed by the \$10.458 million and the \$1 million out for the out years—is a ridiculous number. If we looked at the investment over the period of Parliament, it would be considerable, but at some point they started recording it. I think we worked out it was around 2011 that they starting recording what we were investing in our capital. Essentially, what it kind of does is that it gives an indication of what investment you have got so that they can work out a depreciation. I am pretty uncomfortable with the number. It does not mean anything for me or for us as an organisation, but it certainly must mean something to consolidated revenue.

Hon TJORN SIBMA: Maybe as a follow-up to that, at any stage has a Treasury official taken it upon themselves to actually visit the Parliament and comprehend the requirement? It is one thing to be a desk-bound warrior drawing arbitrary lines in the sand; the other thing is to go out there and actually confront the evidence and see whether or not one's suppositions hold up when confronted by fact. Can I get a sense of whether or not Treasury has been out here, other than just to provide evidence and then go back to their building?

The PRESIDENT: Thank you, member. I am not sure what happened prior to my time as President, but I know that in the last year, there have been a number of meetings with Treasury around these matters. I also know that there have been some very practical tours of the building, where Mr Hunter and others have taken a couple of staff from the Department of Treasury around the internals of the building, I think even up into the roof space on one occasion, which I must say is a very unsafe place to be. The Parliament is currently looking at trying to improve the actual access and safety of that space in case we need works done. So, yes, there have been a couple of occasions where people have been invited to have a good look around the building. I do not know whether you have had an opportunity to look around the guts of the building, if you like; it is an interesting experience.

Hon TJORN SIBMA: Not yet; I will jump at it.

The PRESIDENT: I think every possible opportunity has been afforded so that people can actually see, and feel in some cases, some of the difficulties that are currently being faced in the building in terms of structural problems and other issues, so it is not just there in black and white.

Hon AARON STONEHOUSE: A question was asked earlier about cost recovery for functions held at Parliament House. I have a similar question around the members' dining room and the fees charged for the dining room, not necessarily for functions but just for meals. How close are those to cost recovery?

Mr HUNTER: I will just give some context to that. The question you are asking relates to the parliamentary refreshment rooms, which is not subject to this appropriation. I am happy to answer the question in general terms, because it is something that I am responsible for as well. The parliamentary refreshment rooms is a separate entity that was set up probably about 100 years ago. I have used this as a way of explaining it. Members of Parliament back then had no means to get food or beverage into the building when they were working very late, so they started a club. They contributed from their own pays or their own pockets to create a club, and then they created, I guess, the parliamentary refreshment rooms, which was later then formalised. It is fully audited and we are accountable for it, but it is not public funds. There is nothing in the parliamentary refreshment rooms that comes from the public purse. What you see is that the cost of the food, which some people consider to be quite cheap—I do—and the beverage to be a bargain, is cost plus 10 per cent on average. We might see things like the members' dining room, which has a set fee, having a margin of about seven or eight per cent. Then you might see something like a cup of coffee with three per cent and a can of Coke with 12 per cent. We basically cover our food and beverage cost. We are not losing money on that basis, but it is all managed through the PRR.

Hon COLIN TINCKNELL: I will just make some generalisations after listening to all the questions and some of your fantastic answers. I do have concerns about security of this house for all of us, and especially the staff who are here every day. That is one. I just want to put that on the record. The other was the building. It is an amazing building. I have colleagues who come over from the eastern states and talk about this building. They say, "Wow! This is fantastic compared to what we have." I just look at the way the new Australian Parliament and the old Australian Parliament have become a massive tourist opportunity for Canberra. I just think maybe we have to have another look at this

and maybe we could do more with this building and the surroundings to return funds to WA that way. That is just some general thoughts. Madam President, do you have any thoughts on that?

The PRESIDENT: Thank you for that. We are trying to do things to attract more people to the Parliament. I mentioned earlier the significant increase in the number of students coming to the Parliament. Last year, the actual numbers were just over 18 000. This year, they are looking at 15 500 and will probably top that. Last week, I think we had 35 separate groups, or more, of students come through the Parliament in just one week—big numbers. We now run a series of art tours every month, which are very popular. We are looking to run a series of other types of exhibitions through the building this year; for example, we will run an Indonesian photographic exhibition, the *Borderless Ghandi* exhibition and we are looking to have our artist-in-residence.

There are a range of opportunities to have members of the public come here so they can appreciate their building. Coupled with that we have to make sure that we put in place all the appropriate security measures to make sure that both the staff and the members of the public are protected when they are here. That does cost money and that comes back to our earlier discussion with other members around what our future proposals will be in terms of changes to the front of the building and in terms of access—issues around making sure that people are utilising their passes correctly and those sorts of things. All those things cost money; we need the dollars to do that. We also need the cooperation of members to ensure that these things work properly.

In terms of security upgrades into the future, these are matters that we will continue to put on the table for discussion with government. I know that the security of this building is at the forefront of the Premier's mind and he is, obviously, both interested and concerned about how to progress these things. At this point in time, I suppose it is a question of priorities and about where to source the dollars, but rest assured this is something the Parliament continues to raise. We will be putting in front of the government on an ongoing basis fully costed proposals about how we can put in place appropriate security measures that are of a high standard to ensure that the staff, as you quite rightly say, who work here all the time are protected, that members are afforded that protection and certainly with people coming in and out of the building—members of the public—that there are no safety concerns for them as well. This is something that is a key priority for the Parliament and it is something that comes up in every discussion that we have in meetings here and certainly gets canvassed on a regular basis with Treasury and other government departments as a key concern.

The CHAIR: Thanks, members. I know there is a great deal of interest, but unfortunately we have come to the end of our time in this area. On behalf of the committee, I thank you for your attendance today. The committee will forward the transcript of evidence to you. If members have any unasked questions, I ask you to submit them via the electronic lodgement system on the POWAnet site by 5.00 pm Wednesday, 27 June. Responses to these questions will be due back by 12 noon on 13 July. Should you be unable to make this due date, please advise the committee in writing as soon as possible before the due date. Your advice is to include specific reasons as to why the due date cannot be met. I thank you again for your participation.

Hearing concluded at 10.00 am
