

**TREASURER'S ADVANCE AUTHORISATION BILL 2009**

*Second Reading*

Resumed from an earlier stage of the sitting.

**MR T.G. STEPHENS (Pilbara)** [2.55 pm]: Before question time, the house was hearing about corruption that goes to the core of this government, whereby it has misallocated resources—resources that are being allocated in a differential manner to support two Independent members of the house alone and prop them up with additional resources. We need to know the details, and the way to find out those details will, I believe, be through an inquiry conducted by the Corruption and Crime Commissioner to find out who was involved. Who got involved in this decision? Was it the new, politically appointed Director General of the Department of the Premier and Cabinet? Who went into the heart of this government and found there the opportunity to prop themselves up with two Independent members of Parliament by giving to them an allocation of resources not available to any other member of the house? That needs to be inquired into. It is something that cannot be inquired into by the government itself. There is something rotten in the core of this government. There is something rotten about that which constitutes this government.

I know that the Corruption and Crime Commission process is quite a tortuous process for some members of Parliament, including some former members of Parliament. I guess that what is good for the goose is good for the gander. We know that the Corruption and Crime Commissioner could go right in there and find out what went on inside that cabinet room and on what basis those resources were allocated. What promises were made to the Independent members of Parliament to give only them a differential allocation of resources? It is unprecedented. It has never happened before. Effectively, it could be construed as buying off individual members of Parliament with a differential resource allocation through this place. No wonder people are worried about a new Director General of the Department of the Premier and Cabinet presiding over the resource allocations to members of Parliament, to the opposition and to the ministry itself. It is fundamentally important for the Corruption and Crime Commissioner to get in there and find out what Mr Conran has been up to in cahoots with his colleagues in the Liberal Party in the differential allocation of resources to a couple of Independents alone in this place.

I say to those Liberal members opposite who are perhaps a bit busy in their electorate offices that they should go west, go Independent, and they will get more resources on the basis of this corrupt decision that seems to have been taken by the government—this precedent which has now been set and which is available for others to draw upon and deploy.

**Mr M.J. Cowper:** Two minutes.

**Mr T.G. STEPHENS:** Does the parliamentary secretary want to give me more? I think we have made the point. Members opposite might laugh, but I am sure that they will not be laughing after the Corruption and Crime Commissioner has had a good look at this issue, because it is of fundamental importance, as you, Mr Speaker, would understand, that the Parliament is not treated in this way whereby individual members are allocated resources simply because they happen to be Independent members supporting the government at this time. What happens if in the future they say that they will lock in their support for the Labor opposition? Does that mean, under the terms of the agreement, that the resources will suddenly disappear?

**Mr D.A. Templeman:** They'll take the photocopier back!

**Mr T.G. STEPHENS:** Does the computer get pulled out of the electorate office? Does the research officer get sacked? Is that what happens?

Several members interjected.

**Mr T.G. STEPHENS:** I think it is a good question and maybe it is a question that only the Corruption and Crime Commissioner will be able to answer. What went on inside that cabinet room that allocated those resources in that way? What was on the whiteboard behind the cabinet decision?

**Mr V.A. Catania:** It was a green and gold whiteboard.

**Mr T.G. STEPHENS:** It could have been a green and gold one—who knows? One presumably could have had green on the whiteboard because it seems to have had some particular flavour. All I say to the house is that this is wrong. The government should know that it is wrong. On this side of the house, we know that it is wrong. The Corruption and Crime Commissioner will know that it is wrong, and heads should roll. That is what Parliament should be about. Accountability should not be bought out in this way.

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**MR J.M. FRANCIS (Jandakot)** [3.00 pm]: I will keep my contribution to the debate very short. I have just heard one of the most hypocritical lectures on differential funding of electorate offices. For the past eight years, if people were Labor members of Parliament, the taxpayers of this state funded and serviced Electrac in their offices. However, people who were not Labor members of Parliament had the run-of-the-mill EMS. Do members want to talk about differential funding of electorate offices? It is the most blatant excuse for the past eight years —

Several members interjected.

**Mr J.M. FRANCIS:** When members opposite were in government, they failed to do it. When members opposite were in government, they blatantly abused the budget process and funded their own offices with a different system to that for every other member of Parliament.

Several members interjected.

**Mr J.M. FRANCIS:** You are a hypocrite and you should be ashamed of yourself!

*Withdrawal of Remark*

**Mr M. McGOWAN:** Point of order, Mr Speaker.

Several members interjected.

**The SPEAKER:** Order! I have given the call to the member for Rockingham. I expect all members to pay attention to his words, as I will.

**Mr M. McGOWAN:** The member for Jandakot used a term that is unparliamentary in referring to another member as a hypocrite, and I ask him to withdraw.

**The SPEAKER:** I ask the member for Jandakot to withdraw that comment.

**Mr J.M. FRANCIS:** I am happy to withdraw and say that members opposite have double standards.

**Mr M. McGOWAN:** Point of order, Mr Speaker.

**The SPEAKER:** I simply ask the member for Jandakot to withdraw the word “hypocrite”; I do not in any sense expect the member to add further comment to that withdrawal.

*Debate Resumed*

Several members interjected.

**The SPEAKER:** Does the member for Jandakot wish to continue with his speech?

**Mr J.M. FRANCIS:** No, I am happy, Mr Speaker.

**Mr M. McGOWAN (Rockingham)** [3.01 pm]: I rise to add my remarks —

**Mr M.P. Whitely:** You’re a windbag.

**The SPEAKER:** Member for Bassendean, we dealt with the issue and I have given the call to the member for Rockingham. I do not know whether the member for Bassendean used that term to describe the leader of opposition business, but I presume that he did not.

**Mr M.P. Whitely:** I certainly wasn’t.

**The SPEAKER:** I think it might have been directed at somebody else. Perhaps the member should choose his moment, such as when the leader of opposition business is not on his feet.

**Mr M. McGOWAN:** If the member for Bassendean was referring to me, I took it as a term of endearment.

Several members interjected.

**Mr M. McGOWAN:** He left off the word “pious”, which normally precedes such a remark. “Sanctimonious” is the other word that normally precedes that remark. In either case I would not have been offended.

**Mr M.P. Whitely:** I always end it with the word “mate”.

**Mr M. McGOWAN:** That is right.

I wish to provide some remarks on the Treasurer’s Advance Authorisation Bill 2009. I will follow on from some of the remarks made by members earlier, in particular those of the shadow Treasurer, the member for Victoria Park, about the profligacy of the new government, and also the commentary from the member for West Swan. Both members made very good speeches about this bill.

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Earlier today, during the debate on the urgency motion for this bill, I asked why it was not brought on yesterday and why an alternative bill came on for debate yesterday. However, that alternative legislation—the Criminal Code Amendment Bill 2008—is no longer on for debate today even though it was the most urgent matter in the world yesterday. I made the point earlier but I think it is worth repeating that today we could have dealt with the third reading stage of the Criminal Code Amendment Bill—the mandatory sentencing for assaults on police. I am sure that the third reading stage would have been completed by now if the government had seen fit to make the bill a priority and thought it was a priority bill. Obviously it did not, and the Criminal Code Amendment Bill will now be brought on at some other stage, perhaps tomorrow or in a week and a half's time when we return. The opposition stands ready to debate that bill. Considering yesterday's hyperbole and the antics that went on, I thought it would have been appropriate to bring on the third reading stage of that bill today. Obviously it is not as important as the government said it was yesterday.

The Treasurer's Advance Authorisation Bill will allow the Treasurer's advance to be \$1.2 billion, which is the largest amount in the history of this state. The amount of the Treasurer's advance has moved around over the past few years and it has always been agreed to by past oppositions, but it was never the magnitude of this Treasurer's advance today. Some years ago the then opposition put forward a motion during the second reading stage of the Treasurer's Advance Authorisation Bill—perhaps it was during the consideration in detail stage—to refer the bill to the Public Accounts Committee for examination. I think Max Trenorden, the former member for Avon, moved it and it was supported by the Liberal Party. Indeed, the now Premier spoke in support of referring that bill to the Public Accounts Committee for it to examine why the amount had become so large. In those days the Treasurer's advance was a figure of between \$600 million and \$750 million or thereabouts—I am not exactly sure which year it was. The then member for Cottesloe, now the Premier, was fulsome in his support for referring the bill to the Public Accounts Committee for examination on the basis that the amount was so overwhelmingly enormous that it deserved consideration by the committee. The Treasurer's advance was somewhere in the vicinity of half of what it is now; perhaps it was slightly more than half the current Treasurer's advance, but the figure was in that vicinity. At that point it was such an incredibly large amount that members felt that it had to go to the Public Accounts Committee for examination. In light of that precedent and that the amount of the Treasurer's advance has now nearly doubled, this opposition will do the same. In light of the massive increase in the Treasurer's advance, this bill should be examined by the Public Accounts Committee to see why the figure is so massive and exactly where this expenditure will go, because it is difficult in some ways to determine from the advice the Treasurer has given to us where the expenditure is going and what sort of things it is being spent on. Therefore, we will move that this bill be referred to the Public Accounts Committee for that purpose.

I want to put some perspective around the amount in question, the \$1.2 billion. I looked through some previous *Hansard* for the amounts of Treasurer's advances under the Gallop and Carpenter governments. I am unsure whether other members have relayed those amounts, so forgive me if I am being repetitive. However, it appears that in 2002 the Treasurer's advance was \$300 million, in 2004 it was \$300 million, in 2005 it went up a fair bit to \$680 million, in 2006 it was \$600 million, and in 2008 the Treasurer's advance was \$750 million. Therefore, in those five or so years during the time of the previous governments, the Treasurer's advance was never more than \$750 million and generally it was considerably less than that figure. It was needed, obviously, for the purposes of governance, as the Treasurer outlined today in question time and also in his second reading speech. Sometimes events arise and expenditure is incurred outside the budgetary process and therefore the Treasurer's advance needs to be increased, and I do not object to that. However, I object to the sheer magnitude of this amount of money. That is what I object to. I object to it especially in light of the comments the present Treasurer made when he was Leader of the Opposition, shadow Treasurer or backbencher in the term of the previous government between 2005 and 2008. The commentary he made back then was extraordinarily inflammatory and quite demeaning of the then Treasurer, now Leader of the Opposition, in terms of the financial capacity of the previous government. I will read out one piece of commentary from 10 May 2006, when the amount of the Treasurer's advance was \$600 million—exactly half what the Treasurer is proposing. He described it as a “budgetary black hole”. He went on to say —

There is a budgetary black hole that he has to fill.

This bill is a very poor reflection of the financial management capacity of the Treasurer's government. Ultimately, he stands condemned by his own rhetoric. He stands condemned by the policy statements that he made ... All the criticisms he made of the former Court government can now be brought home to roost. Every single one of those reasons that the Treasurer argues for increasing the TAA from \$300 million to \$600 million —

It increased to \$600 million in that year. Now, in light of the fact that the Treasurer said that that increase was “a very poor reflection of the financial management capacity of the Treasurer's government” he has doubled it

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again. If it was a very poor reflection of the financial capacity of the government when the Treasurer's advance was \$600 million, what is it when it is \$1.2 billion? Is it a very, very poor reflection? What is it? How can we possibly reconcile the language used last year by the present Treasurer in relation to the Labor government, when he doubles the amount when he comes to office? I could go through the speeches of some of the other people who commented on last year's bill. I note that the present Minister for Police described the management of the Treasurer's advance by the former Treasurer and current Leader of the Opposition as something that only a monkey could perform.

**Mr M.P. Whitely:** Is he a gorilla?

**Mr M. McGOWAN:** I would be thinking that marmoset was a better analogy. If the Treasurer is a monkey in financial terms when the advance is half what it is now, what is he when it doubles? The current Minister for Education, the member for Churchlands, made pages and pages of commentary, in the way that she was always "holier than thou" about these things, when the advance went to \$600 million. She said —

How could the Treasurer make such a big mistake? Why is the figure so far out?

She went on at length about the poor financial management of the previous government. Does the Treasurer have an excuse, in the light of what he, the Minister for Education and the Minister for Police have said, for doubling the budgetary black hole, as he referred to it? What could the excuse be? It occurred to me that he has said on a number of occasions that revenues are declining. Is that an excuse for doubling the budgetary black hole? I would have thought that was an excuse for reducing the budget hole rather than doubling it. No doubt, as the winner of an obscure award at the University of Western Australia, the Treasurer will be able to explain to us why —

**Mr P. Papalia:** He has stretched that laurel out a long time.

**Mr M. McGOWAN:** I saw that Bert Newton gave him an award the other night on television as well. It is quite an achievement to get on Australia's top 20 embarrassing incidents. A person should question his own position in the world if Bert Newton is making fun of him! How does the Treasurer explain, when he has previously described the Treasurer's advance as a budget black hole, that he has managed to double the amount of expenditure?

We have a list of the various things that the money will be spent on. I could go into some detail about some of the announcements, but I would like to especially examine the Busselton jetty refurbishment, which was to be cost neutral under the former government. It will now cost the state \$24 million.

**Mr T.R. Buswell:** Why was there a \$12 million contribution in the last budget?

**Mr M. McGOWAN:** As the Treasurer knows, that money was going to be repaid, and there was to be a process for ensuring a contribution to the ongoing maintenance of the jetty forever more. The capital was to be repaid. I love the Busselton jetty; I walked on it recently. What the previous government wanted to do was to repair the jetty on a cost-neutral basis for the government and at the same time improve the social, sporting and commercial atmosphere of Busselton. We obviously lost the election, so that process did not come to fruition, but one of the first decisions of the Treasurer was to grant more than \$24 million to his own electorate on the basis that it would never be repaid, despite the fact that there is an agreement between the state and local governments that it would be the responsibility of the local council to keep the jetty in good repair. Be that as it may, the point I am making is that I would like to see the Busselton jetty fixed forever more, but I wanted it done on the basis that it would not be a drain on the government. There are many other jetties around the state, including one in Carnarvon that is just as deserving as the Busselton jetty. The jetty in my electorate, and the excellent Mends Street jetty in the electorate of the member for South Perth are just as deserving as the jetty in Busselton, but what does the Busselton jetty get that none of the others get? It gets a \$24 million cheque courtesy of the Treasurer—one of the first steps he took on assuming office—whereas all the others, including jetties in your electorate, Mr Acting Speaker (Mr P.B. Watson), the electorate of the member for North West, and the electorate of the member for Mandurah do not receive the same treatment as the one in the Treasurer's own electorate. This is an important point to consider when thinking about what the member for Pilbara was referring to as favouritism under this government. There is a way to go with what the member for Pilbara was talking about.

I will conclude my remarks at that point. This is something that needs a lot of explaining by the Treasurer, in light of his previous remarks. Why is he the most financially reckless Treasurer in the history of the state?

*Point of Order*

**Mr T.R. BUSWELL:** The member indicated a desire for this bill to be referred to the Public Accounts Committee. I did not hear the whole debate, but —

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**The ACTING SPEAKER (Mr P.B. Watson):** That is not a point of order.

**Mr T.R. BUSWELL:** I wanted to check whether he moved a motion to that effect.

**The ACTING SPEAKER:** No, he did not.

*Debate Resumed*

**MR W.J. JOHNSTON (Cannington) [3.20 pm]:** I want to add my comments to the debate on the Treasurer's Advance Authorisation Bill. The Labor Party believes that the Treasurer should not be taking the lazy approach that he is taking today to this bill but should come into this place and present a proper mini-budget. There is no question that for the Treasurer to skulk into this place and present us with this budget black hole is not the appropriate way to respond to this situation. The Treasurer should be open and honest. He should not hide the troubles that he is having in trying to fund his large budget deficit. That is a matter that the Treasurer raised in question time today. However, the Treasurer has not made any ministerial statement about that matter. The Treasurer has not included that in any information that he has provided to Parliament. We found out about that only through the media. The Treasurer should bring these sorts of matters to the Parliament in a proper and appropriate way, rather than take the lazy approach that he took in the midyear review. That would be real action. However, we cannot expect that from the current Treasurer.

What is happening in this place today is that the luckiest person in Australia—the Treasurer of Western Australia—is taking the easy option. This lazy Treasurer was big on rhetoric when he was in opposition. However, now that he is in government, all he has done is adopt every element of the former government's budget and add more money. The Treasurer has not repudiated one element of the Labor government's budget of last May. He has adopted every single element of that budget, and he has then added on top of that billions and billions and billions of dollars of expenditure. We have not seen the end of that expenditure, I am sure, because this bill that has been presented to us has the Buswell Bankcard attached to the back of it. In this bill there is \$149 million of expenditure that the Treasurer is not prepared to tell the Parliament of Western Australia about. That is a huge sum of money.

**Mr V.A. Catania** interjected.

**Mr W.J. JOHNSTON:** Yes—one more committee for him!

It is interesting to look at the record of members opposite when they were in opposition. When I reviewed the *Hansard* of last year's debate, I happened to notice some comments that were made by the former member for Capel and the then shadow Treasurer, Dr Thomas. Dr Thomas is no longer a member of this place, because, fortunately for the people of Western Australia, Mick Murray won the seat of Collie-Preston. The former member for Capel had some very interesting things to say about this matter. He said —

Many of the words of the members who spoke to similar bills to the one before the house will come back to haunt all current government members.

That is very prophetic, because we can see from the words of the members of the current government that they have now done a triple backflip with pike.

It is interesting also to look at the comments of the now Leader of the House, the member for Hillarys. He said —

I want to put on the record that in this Treasurer's Advance Authorisation Bill, the Treasurer is asking for an absolutely unprecedented handout of \$750 million. This is three-quarters of a billion dollars. In all the years I have been in this place, I have never known a Treasurer to ask for an advance of three-quarters of a billion dollars ... However, for the Treasurer to come into this chamber with his hand out and ask for an extra three-quarters of a billion dollars proves that the Treasurer and this government are totally and absolutely incompetent.

He said also —

The people of Western Australia have to pay whatever taxes the Treasurer imposes on them.

We need to remember that the current government's tax take will increase over the next number of years. The tax revenue of this government is estimated by this government—not me—to increase. The member for Hillarys said also —

... frankly, a monkey could do the Treasurer's job.

That is very interesting commentary from the now Leader of the House. The problem is that no-one is doing the job of Treasurer. The Treasurer is taking a lazy, lazy approach to the budget. The Treasurer should come into this place and explain to the house, and through the house to the people of Western Australia, what his strategy is

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and what his intentions are. However, the Treasurer has not done that. All he has done is adopt the budget of the Labor government in 2008, and add billions and billions of dollars to that.

It is interesting to note what the now Treasurer said last year, when he was in opposition, about the three per cent additional expenditure that is allowed under the Financial Management Act. He said —

One thing we did not dispute was that three per cent of recurrent appropriations would give the Treasurer a fair amount to meet the overs and unders that occur in a normal financial year.

The Treasurer is seeking through this bill not only the three per cent increase that is allowed under the Financial Management Act but an additional \$1.2 billion. It is also interesting to note this comment that the now Treasurer made about the former Treasurer —

He certainly does not control the spending patterns of the Premier.

That is very prophetic, because one of the problems that the new Treasurer has is that he cannot control the expenditure of the Premier of this state. The now Treasurer went on to say —

We can get an interesting insight into this capacity for recurrent expenditure growth to explode ...

We have certainly seen that explosion, because the Treasurer is continuing to spend and spend and spend, without any controls. The now Treasurer and the now Leader of the House were not the only members to make a contribution to the debate last year on the Treasurer's Advance Authorisation Bill. The now Premier also made a contribution. One of his comments was —

A request for extra funding heading into the last quarter of the financial year is unprecedented.

We are being asked in this bill to approve not only \$1.2 billion of expenditure, but also a special amount of \$149.3 million—close to \$150 million—for the Buswell Bankcard. Only about 90 days are left of this financial year. That \$149 million is what the Treasurer is asking us to approve. The Treasurer wants us to vote in favour of the expenditure of that money. There is no plan in this. If the Treasurer had a plan, he would have come to us with that plan and with a mini-budget. He would have said, "This is my plan for how I am going to ensure that the budget meets its targets, and these are the things that we will be spending the money on." The Treasurer did not do that. He has come into this place and said that he wants a special Bankcard. He wants a platinum gold-plated, extra-special \$149 million Bankcard.

**Ms J.M. Freeman:** In the midst of a crisis!

**Mr W.J. JOHNSTON:** Yes, in the midst of a crisis. Even though the midyear financial review says that revenue is up, the Treasurer has come into this place and has said, "It's terrible. Revenue is down. I need a special \$150 million so that I can go on a spending spree. Don't worry. I'm not going to tell you what that money is for. I'm not going to give you any explanation of what that is about. I'm not going to be accountable to the Parliament of Western Australia and to the people of Western Australia for that money."

It is interesting to note what is not in this bill. There is not one extra police officer. There is not one extra schoolteacher. What is also not in this bill—to take up the challenge of the former member for Capel, Dr Thomas—is any money to deal with the declining watertable under the Gngangara mound. That was one of the interesting issues that Dr Thomas raised last year. Not one of those things is in this bill. The Treasurer has requested that this house approve an amount of \$1.2 billion in additional expenditure, yet not one of the things that I have mentioned has been included in this bill. This bill will create a \$1.2 billion black hole for this government. This is a government that has generated record growth in recurrent expenditure. This is a government with a Treasurer who is permanently on holiday or absent without excuse. This government has a Treasurer who has created a black hole into which he is tipping his economic credentials—there to be lost and buried forever. The comments that were made by the now Treasurer when in opposition have now been shown to be naked and untrue rhetoric. Mr "Less with Less" has now become the Treasurer with the big Bankcard. Mr "Less with Less" has now become the Treasurer who wants to spend more and more. The now Treasurer when in opposition preached the virtues of restraint, but the now Treasurer in government is outspending every Labor Treasurer in the history of the state of Western Australia. Last week, I warned the Treasurer that he will be judged by his own standards. Today, we are judging the Treasurer by own standards, and he has clearly failed those standards. Falling below the standards of the member for Vasse is very difficult, but he has achieved it. It will be interesting to watch the Treasurer—he has, of course, left the chamber during debate because he does not want to be held accountable for his lack of action and activity —

**Mr R.F. Johnson:** You know that's not true. He's having a comfort break. Anybody would want a break from you, my friend!

**The ACTING SPEAKER (Mr P.B. Watson):** I am sure the member for Hillarys would like a break from talking, too!

**Extract from Hansard**

[ASSEMBLY - Wednesday, 18 March 2009]

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**Mr W.J. JOHNSTON:** How can the Treasurer reconcile “less with less” in opposition with the biggest increase in expenses in the state’s history? How can he reconcile his position in this debate? It is interesting to note the government’s midyear financial projections statement. In it the Under Treasurer makes the statement —

... has been prepared under my instruction, and is based upon Government decisions I was aware of ... by close of business on ... 1 December 2008. The mid-year review does not include the impact of any decisions that may have been taken, or other issues arising, after the cut-off date.

That is a perfectly reasonable position for the Under Treasurer to take. At page 109 the Under Treasurer talks about the potential for the Treasurer’s advance and states —

The expected outturn for the 2008-09 Treasurer’s Advance (\$996.8 million) is in excess of the authorised limit. Accordingly, the Government will be seeking Parliamentary approval for an increased limit prior to 30 June 2009.

He concludes —

... it is considered unlikely that agencies will need to fully draw down the \$996.8 million estimate shown in Table 4.1.

The Under Treasurer is telling the people of Western Australia that the government is not expected to spend \$996.8 million, but a couple of months later, the Bankcard is in action, and what is the government asking Parliament to approve? It is asking approval for \$1.2 billion. That is hard for us to justify, because this is not a mini-budget. The Treasurer does not come to the chamber and explain what strategy he has in place to manage the state’s finances. He does not explain his plan to the people of Western Australia because he does not have a plan. All he wants is \$1.2 billion of taxpayers’ money to continue this unprecedented spending spree. Mr Less with Less is now Mr Spend and Spend.

The midyear financial projections statement provides some very interesting reading. For example, on page 3 the Under Treasurer states —

Realisation of this 3% savings measure is integral to maintaining the State’s financial health and follows substantial growth in spending in recent years, with a projected 12.0% growth in 2008-09 even after the implementation of 3% savings from 1 January 2009.

In other words, the figure of 12 per cent—the highest in the state’s history—comes after the three per cent savings. I suspect that the \$149 million is actually a balancing item to take account of the government’s failure to rein in expenditure. We heard during question time about significant overexpenditure in the health arena, so it will be interesting to see during consideration in detail exactly what the \$149 million mystery involves. It will be interesting to hear the Treasurer explain to the people of Western Australia why he is not prepared to particularise \$150 million in expenditure.

The Treasurer likes to talk about the global financial crisis. There is no doubt that the global financial crisis is an important issue for the state of Western Australia; however, it should not be used as an excuse for the government to not take responsibility for its own actions. On page 2 of the midyear financial projections statement the Under Treasurer makes some interesting comments about the government’s position. I know that the member for Riverton will understand this: one of the reasons that Australia has been able to deal with the great international economic shock is that we have a floating exchange rate. Over the course of three weeks last year, the value of the Australian dollar fell by 30 per cent. That acted as an insulator for Australia against the worst excesses of the downturn. One can see the problems experienced in countries such as Ireland and other European countries that have fixed exchange rates. They have over-borrowed and are having to deal with the consequences.

The Under Treasurer, Mr Marney, talks about that in the midyear financial projections statement. On page 2 he states —

At the same time, —

That is, the same time as there has been a fall-off in future overall government revenues over the forward estimates —

there has been a total \$3.9 billion increase to recurrent and capital spending across the forward estimates ... includes \$2.4 billion on the *Royalties for Regions* program.

He continues —

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These substantial impacts on State finances have been partially offset by an unprecedented rapid depreciation of the \$US/\$A exchange rate, from 95.5 cents at the time of the PFPS, to a current six week average of US66 cents in this mid-year review.

This has added nearly \$6 billion in revenue to the forward estimates—\$6 billion of extra money delivered to the state government.

In question time today the Treasurer said that that had been true at the time of the midyear financial projections statement, but that there had been further trouble since then. That is another reason for members to expect the Treasurer to do his job and come to Parliament with a plan that sets out the way in which he will solve this problem, such as a mini-budget, or something that will tell the people of Western Australia —

**Mr T.R. Buswell:** When should this happen?

**Mr W.J. JOHNSTON:** It should have happened in February. The Treasurer could have brought us back to Parliament in February to deal with it. Unfortunately, this government does not want to be accountable to the people of Western Australia and is not interested in parliamentary sittings. The government wanted only 51 sitting days; that is a disgrace. The Parliament needs to sit more often. As I have said previously, and I will keep saying it, this is the Westminster system. I know that the Treasurer has problems with that, but this is the Westminster system, and we give Parliament pre-eminence, not the executive. By sitting in Parliament for only 51 days of the year, the government seeks to avoid the scrutiny and accountability that Parliament is intended to provide.

I will make another couple of points. Wages growth will increase. The money the Treasurer is asking of Parliament today is not adequate to cover the expenses of wages in the future. The Treasurer will have to come back to Parliament because he has major wages settlements to come, such as the settlement with the Western Australian Police Union.

**Mr T.R. Buswell** interjected.

**The ACTING SPEAKER:** Order, Treasurer!

**Mr W.J. JOHNSTON:** The Treasurer will need to settle with police for a greater amount than that with which he settled with teachers; I make that prediction. If the government settles with police for less than it did with the teachers, it will be robbing our police force. The police are the people at the front line; we spent the entire day yesterday talking about how the Parliament supports our police force. Over the next couple of weeks, the Treasurer will be able to demonstrate that support by settling with the police union for more than he settled with teachers. Teachers provide a valuable and essential service for Western Australians, and the opposition is happy that the taxpayers of Western Australia are going to pay that bill through the Treasurer's Advance Authorisation Bill. However, I remind members that were it not for the Treasurer's lazy, poorly-thought-out approach, we would have a mini-budget before us so that we could see the plan that this government should have to deal with the future. There is \$3.9 billion in additional expenditure, and no plan to pay for it in this document. The Treasurer's advance does not explain the government's plan to us.

**MR F.M. LOGAN (Cockburn)** [3.39 pm]: Like previous oppositions, we will not oppose this bill. Previous oppositions have said the same thing about Treasurer's advance authorisation bills: they are part of the normal process of assisting government make the transition from one budget process to the following year's budget process, assuming that the appropriation process in between may take longer than envisaged, and, of course, they also allow for the payment of extraordinary or unexpected expenses. Like all previous shadow Treasurers—including the now Treasurer, the former Court government Treasurer, and former spokespersons for financial matters in the last opposition—the current Treasurer also gave support for all of the Treasurer's advances sought by the Gallop and Carpenter governments. However, the former shadow Treasurer did so with a great deal of criticism of those Labor governments, and he should expect that we will do the same thing. It is just part of the process of government, and members opposite have to sit and cop it on the chin because we will repeat most of what was said to us when we were in government.

The then spokesperson for financial matters, who is the current Treasurer, mostly started his speeches by referring to previous Treasurer's advance authorisation bills that came before the house with criticism of what he claimed were huge amounts sought by Gallop and Carpenter government Treasurers. In particular, he compared the 2001 Labor government budget with what had been sought by the Treasurer in the Court government—the then Premier himself. In 2001, the member for Belmont was the Treasurer who oversaw an advance of \$600 million. As an opposition member at the time, the current Premier referred to it as being “absolutely outrageous”. However, the explanation provided by the then Treasurer, the member for Belmont, was that the



new Labor government had to deal with the outcome of five deficits in a row by the Liberals, and that the unfunded expenditure committed to by the Court government required that amount of Treasurer's advance.

That did not stop the current Premier mocking the member for Belmont, as the then Treasurer, and mocking the Labor government of the day for seeking that amount of money. The now Premier highlighted the commitment given by Geoff Gallop and Eric Ripper before coming into power in 2001 that, when in government, they would attempt to halve the amount of money sought under the Treasurer's advance from the \$300 million sought by the Court government to \$150 million. That was not possible. The reason it was not possible, as Mr Acting Speaker (Mr P.B. Watson) well knows, related to the significant expansion of the economy during the years of the Labor administrations. There was no possibility with an expanding economy that we could restrain government expenditure when we needed more government services in that economy. Nevertheless, that fact did not stop the current Premier continuing to criticise our government when Treasurer's advance authorisation bills were brought before this house under those administrations.

I refer to a summary made in debate on the Treasurer's Advance Authorisation Bill 2008 by Dr Thomas, the member for Capel at the time. He looked at an aggregation of money sought under the TAA; I assume that these figures are correct because I would assume the member for Capel was not misleading the house. The member's figures showed that between 1993 and 2000, while government revenue had increased by 70 per cent, the Treasurer's advance authorisation requests over a period of time on an aggregated basis had increased by 100 per cent; and that during the Gallop-Carpenter government period from 2001 to 2008, the Treasurer's advance authorisations had increased 150 per cent on an aggregated basis, while government revenues had increased by 125 per cent. Therefore, that increase was justifiable. TAA had increased by 150 per cent over eight years of Labor administration, the economy had doubled in size and government revenue had increased by 125 per cent. Therefore, there was some justification for the amount sought.

In terms of what is being authorised now, let us compare the percentage of money sought over the normal three per cent that is automatically allocated to the Treasurer's advance through the Financial Management Act 2006. In 2006, the three per cent Financial Management Act automatic advance was \$360 million, and the total amount sought was \$500 million. The total amount was 45 per cent over that which would automatically be applied under the three per cent FMA provision. In 2007, there was no extra money sought by the government over the automatic amount that comes under the Financial Management Act provision. Basically, the Labor government was acting within its own budget guidelines. In 2008, last year, \$436.4 million was automatically applied under the Treasurer's advance by the three per cent FMA; therefore, last year the total amount sought was \$750 million, which was 71.8 per cent above that which would automatically apply. The Treasurer has asked this house this year to approve an automatic amount of \$437.7 million, which is the normal three per cent that would automatically be applied under the Financial Management Act; however, the total amount is \$1.2 billion, which is 143 per cent above the three per cent normally applied under the FMA.

Let me go back over those figures. In 2006, the figure was 45 per cent above the three per cent automatic allowance available under the FMA; in 2007 nothing was sought; in 2008, it was 71.8 per cent above the three per cent Financial Management Act allowance; and 143 per cent has been sought this year by the Treasurer.

I now go back to some of the statements recorded in *Hansard*. I am glad the member for Hillarys is present, because he always has a lot to say about things like the Treasurer's authorisations and he expresses himself in such a flowery way that it is always worthwhile quoting him! Mr Acting Speaker, this year the Treasurer has sought about 143 per cent above the three per cent automatic allowance under the FMA compared with last year's increase of 71.8 per cent. This year the total figure is \$1.2 billion compared with the \$750 million sought by the Labor government in 2008. In the second reading debate on the Treasurer's Advance Authorisation Bill 2008, the member for Hillarys said —

However, for the Treasurer to come into this chamber with his hand out and ask for an extra three-quarters of a billion dollars proves that the Treasurer and this government are totally and absolutely incompetent.

He went on to say, as he always did —

It is an absolute disgrace for the Treasurer to ask for the huge sum of \$750 million. No Treasurer has ever asked for \$750 million for unforeseen expenses.

That was not quite true; a request had been made before for \$750 million. I am not sure whether the member for Hillarys remembered that. He continued —

The most we have been asked to provide for previously was roughly \$300 million. The Treasurer is asking us to authorise a payment for more than double that amount. That is nothing short of an absolute

disgrace. I assure the Treasurer that the people of Western Australia will not forgive either him or the government for their incompetence.

So thundered the member for Hillarys.

**Mr R.F. Johnson:** Did I say “thundered”?

**Mr F.M. LOGAN:** I would like to know what the member has to say today, to be honest, given that we are talking not about \$750 million, which brought the member to apoplexy, but about \$1.2 billion. The Treasurer is asking for 143 per cent more than the three per cent automatic increase that is delivered to him under the Financial Management Act. It is absolutely unbelievable.

The Treasurer also has thundered many times about the disgraceful behaviour of previous Treasurers. Let us see whether his behaviour was any different from that of the previous Treasurer. Until today I have not seen a jot of difference between what has been put forward to this house by the current Treasurer and what was put forward to the house by previous Treasurers. I say that with absolute conviction, Treasurer. He might well convince us otherwise, but so far he has not. I remind him of what he said in this house when he was critical of the former government. During the second reading debate on the Treasurer’s Advance Authorisation Bill 2006, the member for Vasse said —

... the information the Treasurer provided to the house was very light on and very scant. It was spread back over a number of years and, therefore, a lot more difficult to scrutinise.

He then went on to complain that the government only provided information in line items. What do we have in 2009? That was the criticism of the now Treasurer not once but twice. Once in 2006 and again in 2008 he stuck it up the Labor administrations and the Treasurer of the day for failing to provide to the house clear, detailed justifications for the money that was sought and particularly on where that money was to be spent. The member for Churchlands pontificated at length—I will not quote what she said because that has already been done by others—about the way in which the process unfolded when bringing an authorisation bill to the house and about the debate that occurred on it. The member for Churchlands was particularly scathing of ministers, I might add, simply because bills were introduced into the house seeking just over \$300 million during the Gallop administration, then \$600 million, and \$750 million just last year. The member for Churchlands was absolutely scathing of the process and of the ability of members to scrutinise those bills. She was scathing of the Treasurer of the day, egged on by the member for Vasse, and she was scathing of the ministers. She said that they were all incompetent and basically spent money like drunken sailors and that the Treasurer had no control over them. Then again, the member for Churchlands has been pontificating on everything for 14 years. Now, of course, the shoe is on the other foot and she is a minister. We will see what she does to rein in her own expenditure.

I will refer now to the line items that the Treasurer complained so bitterly about when he was in opposition. Having been so critical of previous Labor administrations, I hope that the Treasurer will take a completely new approach to explain why he wants this huge amount of money to be allocated through this authorisation bill. I hope that he will explain during the consideration in detail stage the details on the line items he has provided to this house in the same way previous Treasurers have provided explanations about line items to this house when debating previous authorisation bills. I hope that he is a far more open and accountable Treasurer than previous Treasurers have been, but I doubt whether that will be the case. If members look at the document that the Treasurer has provided to the house, they will see a line item for \$337 million for royalties for regions. I would like to see the Treasurer try to explain during the consideration in detail stage where that money will go, because I bet that even he does not know. I bet that cabinet has not discussed in detail where the \$337 million that is being sought for royalties for regions will be expended and I bet that the National Party members who sit in this house have not even told the Treasurer. We will find out during the consideration in detail stage whether he has any idea where that amount of money will be spent.

As the member for Cannington pointed out, there is a line item for an amount of \$149.3 million for contingencies. No explanation is given. I hope that during the consideration in detail stage the Treasurer can explain it. Further, just above the line item for contingencies is a line item for “various small items” totalling \$6.6 million. What is that for, Treasurer? Is it for sandwiches? Is it for presents for the chairman of Inpex to calm him down? Is that what it is? I would like to know what those various small items are. If we add up just those three items—royalties for regions amount of \$337 million, the contingency payment of \$149.3 million and the sandwiches that I referred to earlier under the various small items, which is \$6.6 million—we get a grand, hungry total of \$492.9 million. Just those three items account for 65 per cent of the total extra money sought over and above the Treasurer’s automatic authorisation. There is no explanation at all about what the line item for contingencies will be spent on. Do not worry about that; it is just extra money in the Treasurer’s back pocket to spend on anything that comes up, like the nurses or police enterprise bargaining agreement increases. There is an allocation of \$6.6 million for the hungry hordes, and \$337 million will be plonked into the National Party’s

**Extract from *Hansard***

[ASSEMBLY - Wednesday, 18 March 2009]

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Mr Tom Stephens; Mr Joe Francis; Mr Mark McGowan; Speaker; Mr Troy Buswell; Acting Speaker; Mr Bill Johnston; Mr Fran Logan

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bank account to be expended around the state in any way its members wish. The Treasurer knows that. He has no idea what they will spend the money on. Those three items account for 65 per cent of the total amount of money sought over and above the three per cent authorisation that automatically applies to the Treasurer under this bill.

I am dismayed so far. When the now Treasurer sat on the opposition benches, he gave it to Hon Eric Ripper. When the Treasurer reads some of the comments he made, he will see that it was nasty, horrible invective. When he gets a bit older and looks back on what he said, he will be sorry that he said those things. It was nasty, horrible invective that was unnecessary in the debate. He did not need to say those things. There was pontification and flowery language from the member for Hillarys, yet so far we have not seen any change in the Treasurer's behaviour.

Debate interrupted, pursuant to standing orders.