

**Division 13: Finance** —

Ms M.M. Quirk, Chair.

Dr J. Krishnan, Parliamentary Secretary representing the Minister for Finance.

Ms J. Cant, Director General.

Mr C. McMahon, Commissioner of State Revenue.

Ms J. McMahon, Director, Office of the Director General.

Ms N. Godecke, Deputy Director, General, Major Projects.

Mr S. Whitmarsh, Deputy Director General, Building and Contracts.

Mr G. Gilbert, Deputy Director General, Service and Invest.

Ms K. Ingham, Deputy Director General, Advisory Services.

Mr D. Geraghty, Chief Finance Officer.

Ms H. Farrell, Chief Customer Officer.

[Witnesses introduced.]

**The CHAIR:** The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. I will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with these details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 31 May 2024. If the parliamentary secretary suggests that a matter should be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the member for Vasse.

[7.50 pm]

**Ms L. METTAM:** I refer to page 162 and spending changes. My question relates to new initiatives and the line item “Sectoral Emissions Reduction Scheme—Electrical Vehicle Fleet Target”. Can the parliamentary secretary explain the significant increase in funding in the out years? Is it because the bulk of new purchases will need to be done at that time, or leases are expiring? Can the parliamentary secretary provide some clarification for the significant uptick?

**Dr J. KRISHNAN:** Finance is responsible for promoting the uptake of electric vehicles in the government fleet, funding for EV charging infrastructure and amending new government building and leased accommodation requirements to allow for EV charging. Finance’s responsibility in this area stems from the strategy. The revised target currently applies to approximately 27 per cent of State Fleet vehicles and is expected to result in 1 300 new EVs once eligible vehicles have been replaced at the end of their lease term. It is estimated that 4 000 tonnes of emissions over three years will be avoided as a result of the revised EV target.

**Ms L. METTAM:** Is the parliamentary secretary able to state how many vehicles will be purchased and the makes, models and costs for each year in the budget and forward estimates?

**The CHAIR:** With respect, I would narrow that, member, because some of the models, for example, might not be currently available in Australia. That may well be information that the parliamentary secretary cannot readily provide. You might want to revise that question.

**Ms L. METTAM:** Okay. Is the parliamentary secretary able to provide a breakdown of how many vehicles will be purchased?

**The CHAIR:** I think that is better.

**Dr J. KRISHNAN:** They are ordered individually depending on need and the expiry of the lease terms.

**Ms L. METTAM:** What percentage will these EVs reduce emissions by? Has any modelling been done on that?

**The CHAIR:** I think that the parliamentary secretary already answered that.

**Dr J. KRISHNAN:** Yes, 4 000 tonnes of emissions over three years will be avoided as a result of the revised EV target. Just a further clarification on the member’s question. This budget also requests Finance to invest about

\$800 000 to install EV charging stations on government buildings. To date, we have supported 81 chargers installed across 49 projects, with approximately half of the funds still available for new projects.

**The CHAIR:** Can I intervene and ask a question, with the parliamentary secretary's indulgence. Are those EV chargers that are being installed on government buildings accessible to the public?

**Dr J. KRISHNAN:** No, chair; they are for the employees and people who use the building. The parking spaces are not accessible to the public. They are being used by people in the building.

**The CHAIR:** Thank you.

**Ms L. METTAM:** I have another question also on page 162, the spending changes, and the Aboriginal business capability building program. How are these funds being utilised to contribute to this project? Are they for FTEs?

**Dr J. KRISHNAN:** The Aboriginal business capability building program aims to increase the ability for Aboriginal businesses to successfully contract with government agencies. It does so by assisting Aboriginal businesses to develop their business capability. The government tendering process continues to present difficulties for many Aboriginal businesses trying to secure government contracts. Under the ABCB program, the Department of Finance contracts Aboriginal businesses as service providers to deliver business capability building services across Western Australia. The focus of this capability building includes tendering skills, business development, internal governance and contractual compliance. The ABCB program supports government and the agencies to achieve their mandated targets for the awarding of contracts to registered Aboriginal businesses under the Aboriginal procurement policy. Although the government sector as a whole has been successful in meeting APP targets, on average, a third of all agencies with a significant contracting profile still do not meet their APP targets in any particular year. Continued capability building support through the ABCB program reaffirms the government's commitment to fostering Aboriginal business growth and to improving economic and social outcomes for Aboriginal people and communities.

**Ms L. METTAM:** Where is the government at in meeting the mandated targets? Have they been met under this program?

**Dr J. KRISHNAN:** I will give the member some percentages of AP contracts awarded. In 2018–19, it was 4.77 per cent; in 2019–20, it was 5.55 per cent; in 2020–21, it was 6.35 per cent; in 2021–22, it was 5.6 per cent; and in 2022–23, it was the highest at 6.86 per cent. The target is four per cent, so we have consistently met the target.

**Ms M.J. DAVIES:** Is that what has actually been achieved in terms of the percentage of contracts that have been awarded?

**Dr J. KRISHNAN:** Yes.

**Ms M.J. DAVIES:** What is the target?

**Dr J. KRISHNAN:** It is four per cent.

**Ms M.J. DAVIES:** It is five per cent?

**Dr J. KRISHNAN:** The target is four per cent.

**Ms L. METTAM:** Are we able to get an understanding of the total value of those contracts in terms of Aboriginal procurement?

[8.00 pm]

**Dr J. KRISHNAN:** It is \$254 million in contracts.

**Ms L. METTAM:** Is that over the 12-month period?

**Dr J. KRISHNAN:** It is since 2018.

**Ms M.J. DAVIES:** Is that across government? The department is responsible for managing it across the entire government. Are there departments that do not meet the mandate and who are the offenders? The parliamentary secretary can tell me who does it really well if he wants to balance it out. There is a sheet. This is exciting. The parliamentary secretary can table that.

**The CHAIR:** No, we are not able to table in estimates.

**Ms M.J. DAVIES:** He could just lay it on the table—float it over.

**Dr J. KRISHNAN:** I thank the member for the question. This is public information about our procurement policy agency performance and from 2021 to 2023 is available. The member can see which departments are meeting the mandate and what percentage they are achieving.

**Ms M.J. DAVIES:** It is public information. Where will I find that?

**Ms J. Cant:** At wa.gov.au.

**Ms M.J. DAVIES:** Okay, that is under the procurement processes program. Lovely, thank you. I will not waste anymore of the parliamentary secretary's time.

**Ms L. METTAM:** I refer to budget paper No 2, volume 1, page 162 under "Significant Issues Impacting the Agency" and the first paragraph, in relation to the state's market capacity and the department promoting the state's pipeline of works to interstate and international building and construction companies via extensive consultation. Can the department detail how this consultation is being conducted?

**Dr J. KRISHNAN:** In March and April 2024, the Department of Finance met with leading tier 1 and tier 2 contractors across the country as part of the market capacity strategy. The meeting sought to promote the state's asset investment program portfolio of major built form construction projects and identify and investigate potential innovative procurement planning and construction methods that would make Western Australia an attractive place to do business and encourage cost-effective methods of delivering projects that achieve improved value for money and many outcomes for the state. The department is reviewing industry's feedback about the collaborative process and is undertaking further research and analysis to identify and develop options that present opportunities for greater participation. In February 2024, the WA government launched a new online and interactive dashboard featuring current and planned non-residential building and other infrastructure projects, including hospitals, schools and other developments that form a key part of the state's asset investment program. The dashboard contributes to the increased industry transparency around the state's infrastructure program and supports the government's efforts to attract new entrants to the WA market and create increased competition and innovation.

**Ms L. METTAM:** Through this process, what was identified as the constraints to the state's market capacity or how the department or government were going to overcome those constraints? What were the takeaways?

**Dr J. KRISHNAN:** There was a perception that we are a one-builder city and the aim was to change the perception. The main constraints were about supply chain issues and materials and also skilled labour to complete the projects. That is where we will expand the scope.

**Ms L. METTAM:** What was identified as a way in which to address those constraints? Were there remedies or a plan of action?

**Dr J. KRISHNAN:** A range of recommendations and submissions are coming under the subcommittee of the Expenditure Review Committee in June. Members will get more details about that when it is considered.

**Mr C.J. TALLENTIRE:** Regarding upcoming projects, what are the department's initiatives that will come into play to accommodate the upcoming projects to give us that capacity and ensure that the market can accommodate these upcoming projects under some new initiatives?

**Dr J. KRISHNAN:** I request that the director general answer the question.

**Ms J. Cant:** A number of things are being considered that will come up to the major projects ERC subcommittee in June. Some of the things we are considering are forms of contract, such as whether the bid costs of some projects can be refunded, whether we can smooth our pipeline a little more, and whether we can look at either breaking down big projects or bundling projects. There are a lot of things in the mix that the government will consider in June. I am very sure there will be a positive announcement following that.

**Ms M.J. DAVIES:** I refer to page 162, under "Significant Issues Impacting the Agency". The third paragraph refers to the asset management reform program. There is a range of office accommodation initiatives to generate savings and I see there has been \$37 million against a \$48 million savings target. Has this meant rationalisation of physical buildings? I understand there are five locations in the metropolitan area and the department is consolidating the team into one place in Perth, but I am more interested in rationalisation of regional offices and whether there have been closures or changes in regional areas of Western Australia as a part of that program.

**Dr J. KRISHNAN:** I request Ms Farrell to answer that question.

**Ms H. Farrell:** Thank you, parliamentary secretary. The savings under the asset management reform program are basically captured through better planning utilisation of our existing government office accommodation via contemporary fit-outs and achieving better value for money outcomes. From a regional perspective, our current vacancy rate in regional accommodation is 0.13 per cent and our target is 1.5 per cent, so it is very, very low. Last year we implemented an improved fit-out in the Bunbury office as an example and some fit-out projects in Kununurra will be undertaken in the coming year as well, but always to improve our utilisation across the regions and in the metropolitan area.

**Ms M.J. DAVIES:** It is quite a significant savings target. Has it meant that offices have closed so there is no longer a presence in any of those locations across regional Western Australia?

**Dr J. KRISHNAN:** I request Ms Farrell answer that.

**Ms M.J. DAVIES:** The government has a habit of centralising itself.

[8.10 pm]

**Ms H. Farrell:** The accommodation requirements are always looked at in terms of the functional and operational needs of the agency. It is a challenging market in regional areas, given the availability of options in small towns as an example. It is always looking at meeting the needs of the area and the agency that needs those services provided in that area, but there is not a targeted approach to reducing the regional footprint.

**Ms M.J. DAVIES:** Thank you, but have there been closures? Savings have been made. I am not saying that there is a concerted effort going forward to do that; I am just wondering whether offices have been closed in regional communities. I am happy to take it as supplementary information.

**Dr J. KRISHNAN:** We are not aware of any locations being closed. I can give the member some details. Savings were achieved through better planning and utilisation of existing government office accommodation, the implementation of contemporary fit-outs and better value for money commercial leasing outcomes. For example, lease renegotiation for the Western Australian Industrial Relations Commission's office at 111 St Georges Terrace resulted in over \$4 million in savings; the relocation of the Western Australian Electoral Commission from 111 St Georges Terrace to 66 St Georges Terrace resulted in over \$2 million in savings; the relocation of the WA Police Force from 151 Charles Street, Armadale to the new state-owned police complex in Armadale resulted in around \$2 million in savings; and the reduction of office space in Myaree for the Department of Communities resulted in \$1.7 million in savings. They are a few examples.

**Ms M.J. DAVIES:** The parliamentary secretary has a list. Is it possible for that list of how the savings have been achieved to be provided via supplementary information?

**Dr J. KRISHNAN:** I will provide the list of those savings as supplementary information. That will be a breakdown of the \$37.7 million saving outlined in paragraph 3 of the significant issues impacting the agency.

*[Supplementary Information No B13.]*

**Ms M.J. DAVIES:** I will perhaps ask this question under the service summary on page 163 of budget paper No 2. The opposition leader has the media statement in his hand. Where might I find in the budget papers the Department of Finance-led safe and fair reform package? Am I right in thinking that that is something the department is leading?

**Dr J. KRISHNAN:** Can the member refer me to a line item and page number?

**Ms M.J. DAVIES:** I am asking the question under the service summary because I cannot find it in the budget. There was a media statement about it and there must be some funding attached to it somewhere; otherwise, it is just a piece of paper with some words on it.

**Dr J. KRISHNAN:** I thank the member for her question. I think the member is asking about the safe and fair procurement reform. The government is delivering procurement reform to bolster the local building and construction industry for Department of Finance-led construction projects. The safe and fair reform package follows recommendations from the Master Builders Association of Western Australia, the Building and Construction Consultative Committee and Western Australian unions on how to leverage government procurement to achieve better outcomes for builders, subcontractors and workers.

**The CHAIR:** If I can just stop the parliamentary secretary there, I think the question is: where is that reflected in the budget papers?

**Ms M.J. DAVIES:** That is right, chair. I have the media statement that was issued by the minister on 21 May. It very clearly falls within this portfolio, but I could not find any reflection of it in the budget papers. My question is: where is it, so that I can ask a reasonable question?

**Dr J. KRISHNAN:** That was approved after the budget so it is not in the budget papers.

**Ms M.J. DAVIES:** Is there any funding associated with that announcement?

**Dr J. KRISHNAN:** Not at the moment.

**Ms M.J. DAVIES:** Is it just a media statement? It is a fairly significant statement, parliamentary secretary. I acknowledge that the parliamentary secretary is not the minister, but the release refers to reforms that will change the way the department contracts and improve cash flows for builders. It will be over a period of time. The government has been working with the list of stakeholders that I heard the parliamentary secretary mention, but I also just heard him say that there is no funding in the budget. There is good intent.

**Dr J. KRISHNAN:** I will ask the director general to answer the question.

**Ms J. Cant:** Yes, it is; it is more than good intent, though. Consultation will begin immediately around it, and we will be doing that within the resources that we have. It will be on a business-as-usual basis, as we look at all our procurement reforms.

**Mr R.S. LOVE:** I refer to page 174 of budget paper No 2 and the line item on the foreign buyers surcharge duty. The parliamentary secretary may not be aware of this, but I asked a question on the number of properties subject

to this duty. I got an answer back the other day that said that an increasing number of properties have been subject to the foreign buyers duty. That is reflected in the budget papers with the budgeted figure for 2023–24 of \$23 million increasing to \$32 million this year and then climbing even further, to \$36 million, at the end of the out years. Upon what basis is that growth through the out years calculated?

**Dr J. KRISHNAN:** Can I please ask Mr McMahon, the Commissioner of State Revenue, to answer the question.

**Mr C. McMahon:** The forecasting is conducted by the Department of Treasury in terms of where the estimated figures will be coming through in the out years. More broadly, I suggest it would be in line with the overall property market and the value of transactions going through the market and the expectation that they will continue on as they have been.

**Mr R.S. LOVE:** The foreign buyers surcharge duty was presumably introduced as a measure to ensure that people did not buy houses and leave them vacant. In line with the actions the government has taken in other areas to free up housing, is an increase in the foreign buyers surcharge being considered as part of those measures to ensure that properties are occupied?

**The CHAIR:** I am wondering whether that is more a policy question than a financial question, looking at the existing budget.

**Mr R.S. LOVE:** The existing budget shows that an increasing number of properties are being purchased. I am asking whether that is something the government is concerned about and considering changing.

[8.20 pm]

**Dr J. KRISHNAN:** I will get Mr McMahon to answer that question, please.

**The CHAIR:** The appropriate question would have been, and you already have an answer: on what basis is there a predicted increase in the amount of surcharge duty collected? Mr McMahon.

**Mr C. McMahon:** In terms of the basis that Treasury has factored into its estimates, I do not have the modelling available to me. As I suggested, I believe it would be in line with the current health of the property market but also increasing property prices, which would flow through to increased revenue. For the introduction of the surcharge back in 2019, unlike other jurisdictions, it was not necessarily associated vacancies or property being held vacant. The initial surcharge was introduced as a budget support measure to freezing TAFE fees at that time by the government of the day.

**Mr R.S. LOVE:** Sorry, I had someone cough in my ear when the commissioner answered the last little bit. What was the last sentence?

**Mr C. McMahon:** When the foreign buyer surcharge was originally introduced back on 1 January 2019, the purpose of the surcharge was to support a freeze in TAFE fees at that time. It was not necessarily associated with vacancy rates or other purposes at that stage.

**Mr R.S. LOVE:** On page 174, in the table “Details of Administered Transactions” there are some measures with royalties. Lithium shows a significant variance in the period. It goes from \$1 billion down to \$377 million in the budget year. Is that simply a consequence of the fall in price or is there some other reason for that variance?

**Dr J. KRISHNAN:** I thank the member for his question. Lithium royalties were unexpectedly high in 2022–23 due to increased lithium prices and volumes, coupled with lower than forecast exchange rates. Lithium prices have significantly fallen due to increasing global supply, resulting in lithium royalties reducing by \$620.6 million, almost 59.5 per cent from 2022–23 to 2023–24. The estimated actual result is \$506.4 million, or 54.5 per cent below the forecast for 2023–24, which assumed the same factors driving the 2022–23 results would persist. A further reduction in royalties of \$44.5 million, or 10.5 per cent, is forecast for 2024–25 before market conditions are expected to improve and drive a moderate increase in prices over the out years.

**Mr R.S. LOVE:** On the royalties received, the “Petroleum—State Component” has some wild fluctuations in the table. I want to get some clarity on why it is \$16 million and some in the 2022–23 actuals, and in the budget for the current year, it was forecast to be \$9.78 million. It is estimated to come in at \$20 million. In the budget year going forward, we are looking at \$33 million and then at figures roughly at that level across the out years. Can the parliamentary secretary provide some information around that? Is it simply a factor of price or has an increase in a rate or some other arrangement, perhaps with the commonwealth, caused that change?

**Dr J. KRISHNAN:** I thank the member for his question. Unfortunately, we do not have that information on hand because it is our role to implement policy and the policy lies with Treasury.

**Mr R.S. LOVE:** Sorry, I did not quite hear the last bit.

**Dr J. KRISHNAN:** The policy aspect of it lies with Treasury, so we do not have that information or modelling on hand. Our role is to collect or administer the tax. We do not do the modelling, so we are not able to give the member the details. That is a Treasury question.

**Mr R.S. LOVE:** I am not asking for modelling going forward; I am asking for the reasons the royalties collected have changed. Is there any change in the basis with which the royalty has been calculated?

**The CHAIR:** I think the parliamentary secretary has told you the underlying assumptions are made by Treasury but Mr McMahon looks like he has some information.

**Dr J. KRISHNAN:** Can I please request Mr McMahon to answer.

**Mr C. McMahon:** Thank you, parliamentary secretary. The details of the administered item are reported under Finance. We have a role in the administration and collection functions of mineral and petroleum royalties. We do not undertake the modelling or forecasting of what those values are and I am unable to respond to the member's question in terms of the details he is looking for. That may be a question better directed to the Treasurer and perhaps Treasury.

**Mr R.S. LOVE:** Looking at the expenses component on the same page, I refer to the "Off-the-Plan Duty Rebate Scheme". The actual in the last year was \$4.7 million. In the current year, the budget is for \$10.4 million but the estimated actual is only \$1.2 million. Can I take it from that that there has actually been very little uptake of the off-the-plan duty rebate scheme? Looking at the budget this year, there is a mere \$500 000, which is not a huge amount. Can the parliamentary secretary give me some understanding of where that scheme is situated and, in the out years, why is there nothing beyond 2026–27? Will that be the end of the scheme?

**Dr J. KRISHNAN:** I request Mr McMahon to answer this.

**Mr C. McMahon:** Thank you, parliamentary secretary. Perhaps a little bit of background regarding the off-the-plan concession and rebate. When the off-the-plan rebate was first announced in 2019, it was an actual rebate of duty paid that the purchaser could obtain after settlement had occurred. As part of the 2023–24 budget, the rebate was converted to a concession and is now applied up-front as part of the assessment. The reduction in that item is just showing we will be moving away from the rebate payment and it will be picked up through up-front concessions available to buyers.

**Mr R.S. LOVE:** Thank you. That was a helpful explanation of that matter. In that same table, I refer to the first home owner scheme, where we again see some fluctuations. There is a budget in the current year of \$34.6 million, with a likely outcome of \$39 million of expenditure, but a much higher figure of \$54 million is budgeted for this year and it is even higher in the out years. I know a slight change to that scheme is going through legislation at the moment. I imagine the underlying assumption of that increase would be an increase in the number of applications. Could the parliamentary secretary give me some idea of what he anticipates the number of applications to be this year and in the subsequent years?

**Dr J. KRISHNAN:** I request Mr McMahon to answer that question.

**The CHAIR:** Mr McMahon, you are popular tonight.

**Mr C. McMahon:** Thank you, parliamentary secretary. The first home owner scheme relates to the \$10 000 grant that is payable on new builds. The amendments that are currently before Parliament relate to the duty concession for established homes. Established homes do not qualify for the grant. In terms of numbers, that line item equates to roughly 5 400 grants to be paid this year.

[8.30 pm]

**Mr R.S. LOVE:** The department is looking at 7 100, 8 200 and so on in subsequent years. Is that what we are looking at there?

**Dr J. KRISHNAN:** Mr McMahon.

**Mr C. McMahon:** That is correct. That indicates an increase in the number of first home owner grants to be paid on newly constructed homes going into the out years. I would suggest that the numbers are starting to return more to normal going into 2024–25 and the out years, dealing with what was partially a bring forward of interest in the first home owner grant that would have been associated with the stimulus arrangements around housing construction.

**Mr R.S. LOVE:** I came in late so this question may have already been asked. I refer to the first significant issue impacting the agency, which refers to attracting more contractors to the state. Has that —

**The CHAIR:** I think tangentially, yes.

**Mr R.S. LOVE:** I could perhaps ask a question and if it is completely over the top or has been asked before, the chair can shut me down.

**The CHAIR:** I will do that if I need to. Member for Moore.

**Mr R.S. LOVE:** The aim of this exercise is to increase the contracted capacity in the state. The budget refers to attracting more contractors to the state for the long term and identifying options to increase the capacity of local tier 2 operators.

**The CHAIR:** Does the parliamentary secretary have a page reference?

**Dr J. KRISHNAN:** Can the member reference the page and line item?

**Mr R.S. LOVE:** It is the first significant issue impacting the agency on page 162, as I said when I started. The line item refers to needing to extend or increase the number of contractors available to the state in the long term and identify options to increase the capacity of local tier 2 operators. Can the parliamentary secretary explain what a tier 2 contractor is?

**Dr J. KRISHNAN:** I request the director general to answer.

**Ms J. Cant:** Tier 2 operators are the smaller builders. Over the last few years in this state, tier 1 operators have included Multiplex. Tier 2 operators are the smaller builders that usually target that \$50 million to \$150 million range.

**Mr R.S. LOVE:** Why is the government trying to increase the capacity of local tier 2 operators? Has there been a loss of contractors or some other change? Perhaps some have moved to another tier—I do not know. Why do we need more tier 2 operators?

**The CHAIR:** There are two questions there. There could be a third question; that is, is it due to an increase in demand?

**Dr J. KRISHNAN:** Can I please request the DG to answer the question.

**Ms J. Cant:** The capacity work is about attracting more tier 1s into the state. In the last few years, we have really relied on a single tier 1 in this state. To enable us to do that, it is about helping the tier 2s do the more complex work, so looking at how we procure, how we bundle our works and how we bring it to market to encourage more competition in that area. I guess it is that slow build of confidence on the size of projects that are being delivered. From our perspective, the more of them in the market that are doing it well, the better it is for industry and government.

**Mr R.S. LOVE:** Would the tier 2 operators that the government is trying to encourage into the state be available for government contracts? The Department of Finance administers a number of builds, but I take it that it does not administer all government builds. In other committees, we have been hearing about the lack of builders, especially in regional areas. Is the lack of tier 2 contractors in regional areas to build \$30 million, \$40 million or \$50 million hospitals and buildings, which seem to be continually delayed under this government, an area of concern for the Department of Finance?

**Dr J. KRISHNAN:** We all know that there have been issues with construction delays and the number of people who are able to complete projects. That is why there is a tier 1 and tier 2 expansion to get interstate and international construction companies involved in the process. I will get the director general to elaborate further.

**Ms J. Cant:** The short answer to the question is yes, the regions are definitely in the scope of that work. When we are talking about tier 2s, we are talking to some that operate outside the state, but we are also talking to local tier 2s.

**Mr R.S. LOVE:** How much interplay and oversight does the department have over the builds in, say, the department of housing or health services? Is there any role for the Department of Finance and its procurement services in those builds? Can the parliamentary secretary explain how that works?

**Dr J. KRISHNAN:** I will ask the director general to answer the question.

**Ms J. Cant:** Generally, the Department of Finance is responsible for non-residential builds in government, excluding things in the transport infrastructure space. We do not build trains, roads, bridges and ports. We certainly build, on behalf of client agencies, hospitals, prisons and art galleries across the state.

**Mr R.S. LOVE:** When the Minister for Health explains—I will not be too political—or states that a hospital in Tom Price, Meekatharra, Mullewa or Laverton, or the renal dialysis centre in Halls Creek, cannot be built because of a lack of capacity, does advice come from the Department of Finance that the Department of Health should not build those facilities?

**Dr J. KRISHNAN:** Can I clarify whether the member is asking about workforce capacity or construction capability capacity?

**Mr R.S. LOVE:** I am asking about construction capacity, as has been claimed by the Minister for Health with each of those projects and citing that as a reason for the delay in the carriage of those projects. In relation to that, I am asking whether that advice comes from the Department of Finance.

**Extract from Hansard**

[ASSEMBLY ESTIMATES COMMITTEE B — Wednesday, 22 May 2024]

p312b-319a

Ms Libby Mettam; Dr Jags Krishnan; Chair; Ms Mia Davies; Mr Chris Tallentire; Mr Shane Love

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**Dr J. KRISHNAN:** We are all aware of the construction delays and strains on the market. The government is taking multiple measures to ease those. I will get the director general to elaborate further.

**Ms J. Cant:** I am not going to comment on what the Minister for Health may or may not have said, but on behalf of the Department of Finance, our role as a central agency, alongside the Department of Treasury, is to look at the pipeline of works, take things to procurement and provide advice to government. We do not say that our word is what something will or will not be built on. We provide advice to government on what is best for the state.

[8.40 pm]

**Mr R.S. LOVE:** Has the department provided advice to the Department of Health about the timing of the projects that I just outlined—the hospitals in Meekatharra, Tom Price, Mullewa and Laverton?

**Dr J. KRISHNAN:** I will ask the director general to take the question.

**Ms J. Cant:** Yes, we have provided some advice to the Department of Health on those projects.

**Mr R.S. LOVE:** Would that advice be able to be supplied to members?

**Ms J. Cant:** The advice is provided confidentially to the Minister for Health, so I think it is unlikely but the member could put a request through to the Department of Health.

**The CHAIR:** I have a short question, with the indulgence of everyone. It deals with the emergency services levy. That is reflected in the budget of the Department of Emergency Services rather than the budget of the Department of Finance.

In relation to Finance and the emergency services levy, I understand that the amount payable by individual householders relates to the gross rental value of the property. That is the way the calculation is made. Is it the case that more householders are now reaching the threshold because of the gross rental values going up across the board?

**Dr J. KRISHNAN:** I will ask Mr McMahon to answer.

**Mr C. McMahon:** I do not have any information regarding numbers that may be closing in on the maximum of the amount for the emergency services levy. I do apologise.

**The CHAIR:** That is fine. Thank you.

**The appropriation was recommended.**

*Meeting suspended from 8.42 to 8.53 pm*