

INFRASTRUCTURE WESTERN AUSTRALIA BILL 2019

Second Reading

Resumed from 5 June.

HON SUE ELLERY (South Metropolitan — Leader of the House) [3.20 pm] — in reply: I began my response yesterday and outlined a number of commitments and confirmations that had been sought on certain elements of the bill.

Further questions were asked about whether the bill would give effect to all recommendations of the Langouant special inquiry report. The answer is no. The main objective of the bill is to establish Infrastructure Western Australia. However, the bill may indirectly capture some recommendations of the special inquiry report and address some of the issues that led to it. As the Premier announced in February 2018, the government accepted all the inquiry's recommendations with the exception of the recommendation that sought to remove royalties for regions as a hypothecated fund capped at \$1 billion. The government did not support that recommendation. Many of the inquiry's recommendations have already been implemented or are in the process of being implemented, such as transferring strategic projects to the Department of Finance; establishing a steering committee for major projects to strengthen governance and accountability; establishing the public sector reform unit; and restoring the integrity of the Expenditure Review Committee process by ensuring that Treasury is consulted on all matters with a financial impact.

A question was raised about a commitment to establish a parliamentary budget office. We are broadly supportive of the idea. We are continuing to examine the best model, including looking at the costs of a parliamentary budget office and the resources that it would need to operate.

We have also announced that we will introduce legislation to standardise and strengthen the governance and oversight of government trading enterprises. That work is underway and we are hopeful that we can introduce that legislation early next year, if not sooner.

An issue was raised about the prospect of conflicts between IWA and various other parts of government. IWA will be an advisory body and its advice will not be binding on government. For instance, the government is not obligated to support any of the recommendations in IWA's state infrastructure strategy. However, if it does not, it must outline the reasons it does not support the recommendations. Clause 23 of the bill requires state agencies and GTEs only to align their strategies, plans and policies with, and implement the recommendations that are supported by, the current government response. A question was raised, for example, about what would happen if there was a change of government. Agencies and GTEs are not required to implement or incorporate anything that has not been supported by the government.

There was also a question specifically about a change of government and the circumstance in which a new government quite legitimately will have different priorities. Clause 16 of the bill allows for the Premier of the day to amend the response to the state infrastructure strategy at any time. Therefore, a new government coming into power can table its own response to the strategy and that will then become the government of the day's government response. Additionally, clause 17 of the bill allows for Infrastructure WA to amend the state infrastructure strategy at any time. Clause 13 also allows the Premier of the day to direct IWA to prepare a new strategy at any time, but the Premier cannot direct the content of the strategy.

Questions were asked about board member terms and whether a member could hold office for a non-continuous period of more than 10 years. Clause 28 provides for a maximum board member term of five years. Members are eligible for reappointment; however, they cannot hold office for more than 10 consecutive years. Western Australia will be only one of two states to place a restriction on the number of consecutive terms a member can serve in a body such as Infrastructure WA. An appointed member could technically hold office for a period greater than 10 years if they had a break between appointments.

There were also queries about checks and balances in place to ensure the board is not stacked with members having the same views as the government of the day. Under clause 26, a person who is or has been a member of a commonwealth, state or territory Parliament within the preceding three years cannot be appointed as a board member. Under clause 30, the Governor, on the Premier's recommendation, may remove or suspend an appointed board member from office on various grounds, including for any other reasonable cause. If a board member is suspended or removed from office, the Premier must table a statement of grounds for suspension or removal in Parliament within 14 days. We are running a proper process to ensure that we get the very best people for the IWA board. To do this, we have called for expressions of interest for board members, and that has generated very strong interest.

There was also a question about the consequences, if any, if Infrastructure WA or the Premier do not meet the requirements set out in clauses 13, 15 and 16 of the bill. There are no financial penalties as such; however, the

government of the day would certainly be held publicly accountable if it was not to comply. For instance, given the significance of the state infrastructure strategy, if the government was not to respond, there would be substantial criticism and condemnation. The same goes for IWA and the publication of the strategy. In addition, it is possible that the Auditor General could be involved in the event that the Premier of the day refused to comply with their statutory obligations under the bill. Given the expectations of business and stakeholders, it is hard to imagine a government not being held in contempt, should it not meet those requirements.

The issue of Roe 8 was raised a couple of times. The first job of IWA will be to develop a long-term infrastructure strategy, and the government of the day must respond to the strategy. Under the legislation, if the government does not support a recommendation, it has to outline the reasons. If Roe 8 was a recommendation from Infrastructure WA, the government of the day would have to outline why it does or does not support it and be held to account for its decision.

There was a suggestion that the establishment of Infrastructure WA would have the effect of removing the parliamentary and government process from the delivery of infrastructure. I repeat that Infrastructure WA is an advisory body intended to better support decision-making by government. It does not override or replace existing cabinet processes. It is an advisory body. At the end of the day, the government will decide which projects go ahead and when. It will go a long way to better informing future government infrastructure decisions in this state.

There was also a suggestion that the establishment of IWA is a poor reflection on the public service and that the government does not respect the public service. That is absolutely not the case. Valuable advice has been, and continues to be, provided to government on infrastructure planning and decision-making. There is no question that some agencies prepare advice and undertake infrastructure planning better than others, and there is nothing unusual about that. However, the quality and completeness varies greatly between agencies and across sectors, and there is room for improvement. Currently, agencies undertake planning specific to their agencies. There is not always a coordinated approach to statewide planning. Infrastructure Western Australia is being established to bring a cross-portfolio approach to future planning for WA, taking on board the planning work that has been undertaken to date by agencies and building upon that where necessary to maximise opportunities for the state.

Hon Colin Tincknell raised the prospect of Parliament appointing members of the Infrastructure WA board. The government appreciates the spirit in which that proposition was offered but does not support it. In fact, it runs the risk of doing the opposite of what the member intended and resulting in an adverse outcome. The process of confirmation of senior public officers in the United States demonstrates the risk of a lot of political lobbying and campaigning by people who want to secure a board position. That is not the way that the government wants to proceed.

Hon Colin Tincknell: The bipartisanship of the Premier is not real, then?

Hon SUE ELLERY: The member can take issue with that, but I do not think we can fix that problem by giving the responsibility to other politicians. That is the point I am making.

The honourable member also made the point that it should be binding. A variety of views were expressed. Hon Tjorn Sibma said that this should be a “doing” body. He thought it should have responsibility for the delivery of infrastructure, whereas Hon Alison Xamon expressed the complete opposite view, and Hon Colin Tincknell said that it should be binding. The government does not accept that. The government holds the view that it is the executive government’s responsibility to make decisions. Members of the government are elected to make those decisions, and that is what cabinet will do.

Hon Colin Tincknell: So we’ll have this yo-yo effect every time there’s a change of government?

Hon SUE ELLERY: There is nothing new about new governments adopting different policies; in fact, that is what democracy is about. That is what people are voting for—sometimes they vote just to get rid of a government; sometimes they vote because they like a party’s policies on a particular range of issues. That is the good thing about our democracy—parties get to put their policies out there, and people accept or reject them. If a party is elected on those policies, it is expected to carry them through.

Hon Colin Tincknell: The long-term infrastructure needs are bigger than that.

Hon SUE ELLERY: I guess we will have to agree to disagree on where the decision-making power rests.

Questions were asked about whether there would be sufficient resources to undertake Infrastructure Western Australia’s tasks. We have allocated \$15.3 million over four years for the establishment and operation of IWA—that is, \$1.8 million in 2018–19, \$3.5 million in 2019–20, and \$5 million in both 2020–21 and 2021–22. It will have a small multidisciplinary team, but it will have the ability to engage with the specialist expertise that already exists across government agencies and external consultants when required. Of course, individual agencies will continue to be funded to undertake planning within their own portfolios, which feeds into the work done by IWA.

Questions were asked about the interactions between IWA and other government agencies—for example, the Economic Regulation Authority and the Environmental Protection Authority. Members asked how those interactions will be managed and how we can tackle the siloed and piecemeal decision-making that sometimes happens. It is expected that IWA will take a highly consultative approach in its engagement with agencies and government trading enterprises across government. It is there not to duplicate the role of existing agencies; rather, to bring together existing information already held by different agencies as key inputs into its work. For example, the work of the ERA and EPA is separate and different from the functions proposed for the IWA. One of the key reasons for establishing IWA is to provide a coordinated, whole-of-government perspective on infrastructure matters, rather than the single-agency or sector approach. The intention is that that will of itself go a long way towards breaking down those siloed and piecemeal approaches.

Some reference was made to this being either a creation out of a recommendation of the special inquirer's report or an election commitment. In fact, it was an election commitment by WA Labor in 2013, and again in 2017. Way before the special inquirer's report, a significant number of the state's major industry peak bodies, including the Chamber of Commerce and Industry of Western Australia, the Chamber of Minerals and Energy, the Master Builders Association, the Civil Contractors Federation, the Property Council, and the Infrastructure Coalition, had been calling for the establishment of an IWA-style body. Although the special inquirer's report referred to it, and it has been an election commitment of this government since 2013, its genesis was the call from industry to ensure better coordination across government, and to take a longer view in infrastructure planning. The proposal to establish Infrastructure Western Australia has been overwhelmingly supported through consultation with industry across the relevant bodies. In fact, Western Australia is the last Australian state to introduce an IWA-style body. It is not radically new in Australia.

Questions were asked about Metronet and Westport. We have secured billions of dollars in new federal funding for most Metronet stage 1 projects. As such, most Metronet stage 1 projects will require an assessment by the federal equivalent of IWA—that is, Infrastructure Australia—which is an independent and rigorous body that publishes a summary of its advice to ensure transparency. There would be little value in IWA duplicating what Infrastructure Australia will do on those projects. This has already occurred for three Metronet projects—the Forrestfield–Airport Link, the Yanchep rail extension and the Thornlie–Cockburn Link. As for Westport, IWA will need to consider the outcomes of the Westport work when developing the state infrastructure strategy.

There was also a question about the criteria for selecting IWA board members and how much they will be paid. Clause 26 of the bill sets out the core criteria for board members. Remuneration for board members will be recommended by the Public Sector Commission, and determined by the Premier. Preliminary advice indicates that members will be paid approximately \$42 000 per annum; the deputy chair, \$46 000; and the chair, \$109 000. This is broadly similar to equivalent bodies in other states of Australia.

With those comments, I thank all the members who made a contribution to the second reading debate, and commend the bill to the house.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chair of Committees (Hon Matthew Swinbourn) in the chair; Hon Sue Ellery (Leader of the House) in charge of the bill.

Clause 1: Short title —

Hon PETER COLLIER: I thank the minister for clarifying a number of areas. She has provided some clarity on questions that I raised, particularly about the binding nature of recommendations from Infrastructure WA and that it will not take precedence over government trading enterprises and departments, which I anticipated anyway. Having said that, and this is just a general comment that reinforces what I said in my second reading contribution, I am sure that that will still require a cultural shift in where we are at with both GTEs and government departments. Certainly, initially, they will almost take offence at the notion of having a body aside from the executive government overseeing what they are doing. I appreciate that the minister has clarified that situation for me.

Having said that, the minister made mention of one of the points I brought up about the special inquirer. I note that it was Labor Party policy from 2013 to 2017 to establish Infrastructure WA, which is fine, and that coincided with a recommendation from the special inquirer. One of the minister's comments about the other recommendations—these were the points that I raised—which seem to be captured within the same gamut of the recommendations on Infrastructure WA, was to establish a parliamentary budget office. The minister indicated the government's broad support for that. I seek clarification and am interested in the minister's initial comments on whether these recommendations from the special inquirer that I raised in my second reading contribution will be captured in IWA —

- provide information about major projects in an accessible and transparent way to the public;
- centralise the leadership of major projects and public works management;
- simplify and strengthen procurement practices;
- increase Government's oversight of contract development and contract management;

The minister mentioned GTEs and I am comfortable with that. The minister also mentioned royalties. The recommendations continue —

- implement formal evaluation of agencies' performance on major projects;

That pretty much covers it. Those recommendations seem to come under the gamut of IWA. I would imagine that if they are going to outline what IWA should be doing in making sure that we have appropriate structures in place for an overarching infrastructure policy for Western Australia, they may be captured within the role of IWA. Can the minister clarify whether that is the case?

Hon SUE ELLERY: Infrastructure WA will assist with most of those things. All the recommendations of the special inquirer's report, with the exception of the recommendation on royalties for regions, will be given effect, primarily by the Department of Finance. IWA will assist with some elements in the list that the member read out because it will be part of its function as captured in the bill as the functions and objectives of the organisation.

Hon PETER COLLIER: As has every government with a political change of wind, this government has a policy framework that we would like to think captures the whole state. Does the government, in isolation, have its own overarching whole-of-government policy framework?

Hon SUE ELLERY: We have several frameworks; the most recent and probably broad-ranging one is "Our Priorities: Sharing Prosperity", which the Premier announced in February this year. The priorities go across six policy areas and underneath that sit 12 specific targets and the dates by which we aim to meet those targets. They go broadly across economic, social and environmental policy. They go to our jobs targets and our financial management targets; for example, there are some in my portfolio of education and training that go to planning, liveability of communities and regional prosperity. There are certainly those.

When we first came into government, we set out several key overarching objectives reflected in the machinery-of-government changes and our response to the service priority review. As is normal for an incoming government, we have set ourselves several sets of objectives. The most recent and comprehensive are Our Priorities, which we announced in February this year.

Hon PETER COLLIER: Is there no overarching government infrastructure plan at this stage?

Hon SUE ELLERY: There is not one single plan; there are various plans. For example, Metronet is about not only trains but also housing density, liveability and a whole range of other things; it is not just about building train lines. A range of agencies have their respective infrastructure plans. The purpose of the IWA bill before us today is to coordinate that, set long-term plans in place to provide certainty for industry and set a clear direction.

Hon PETER COLLIER: That pretty much reinforces my view of where I thought it stood. That brings us back to the whole point of accountability. I asked questions about the consequences of noncompliance. In Infrastructure WA's current framework, if it really wanted to, a government trading enterprise could easily ignore Infrastructure WA's board. One of the GTEs could be diametrically and philosophically opposed to recommendations from IWA. In that instance, there will be absolutely no compulsion on the part of the GTE, or a department for that matter, to adhere to the recommendations of IWA.

Hon SUE ELLERY: I will make two points about that. The first point is that the power to direct GTEs exists now. Ministers do not do so willy-nilly, nor should they. The respective ministers have that power now and nothing in this bill diminishes that. The second point is that the bill is clearly trying to assist GTEs, for example, and their boards to understand the government of the day's expectations of them. In fact, it would be of assistance to GTEs to have a long-term vision of where the government seeks to have those GTEs align the work they are doing. However, I think I made the point in my second reading reply that the government is looking at a GTE bill, so questions about that might be better asked when that legislation comes before the house.

Hon PETER COLLIER: Yes. I am not being objectionable; I am just trying to get some clarity behind this. Having been in that situation, I know what it is like. I have to be honest: directing a government trading enterprise is not something one does lightly. When the point of no return is reached with a GTE or a department and it is directed, the political ramifications are also quite serious.

I touched on the matter of consequences in my contribution to the second reading debate. Under part 3, "Infrastructure strategy and planning", a strategy has to be prepared and submitted within five years. Clause 15(1), "Acceptance, tabling and publication", states —

If a State Infrastructure Strategy is submitted to the Premier, the Premier must consider the strategy and, within 60 days of receipt of it, either accept it or return it to Infrastructure WA ...

And so on. This goes all the way through. I do not mean to be difficult about this. The minister mentioned that the most profound consequences are, of course, the political ramifications. Aside from that, there is really nothing to compel anyone to adhere to the time lines contained within this bill, is there?

Hon SUE ELLERY: If the member means some kind of punitive action such as fines or whatever else, no, there is not. But having been a senior minister, the member knows that the public sector looks to the government of the day to find out what its expectations are, and in most cases it adjusts itself to the government's policy framework accordingly. There are no financial penalties, but ministers will be expected to ensure that their respective agencies comply. The Premier will expect Infrastructure Western Australia to meet deadlines. If the Premier fails to meet the deadlines that he is required to meet, he will be held to account by this place, the other place and, more generally, the public. Frankly, stakeholders who want the kind of certainty and planning vision that IWA will provide will also have high expectations of the organisation and the Premier's capacity to deliver, and they will be well resourced to campaign against IWA and the Premier if they think those things are not being done properly.

Hon PETER COLLIER: I totally understand that and I am totally supportive of that. As I said, I am supportive of the concept of the Infrastructure Western Australia Bill 2019. I think having an all-embracing umbrella over where we are going with infrastructure is a positive step forward, and I have no problems with that. But I am playing devil's advocate and, as I said, this is a significant shift for a lot of these agencies and departments.

I have just a couple of minor questions. Can I clarify that the minister mentioned there was \$1.8 million for the operations of Infrastructure Western Australia for 2018–19?

Hon SUE ELLERY: Yes, for the current year.

Hon PETER COLLIER: What was the government spending \$1.8 million on in 2018–19?

Hon SUE ELLERY: Money will be spent on some preliminary scoping, some staffing costs and some chair designates. It may well be that that \$1.8 million is not all spent, but that was the allocation.

Hon PETER COLLIER: I think there will be a serious underspend if that is all it is, but we will see what happens. Is it \$15.3 million over four years; is that what the minister stated?

Hon SUE ELLERY: Yes.

Hon PETER COLLIER: Can the minister give me a bit of an idea of the staffing profile for Infrastructure Western Australia?

Hon SUE ELLERY: Similar to other infrastructure bodies across Australia, it is anticipated that the staffing component—at full operational level—will be between 20 and 25 staff. It is expected to take about 18 months to get to full operational level.

Hon PETER COLLIER: When is it anticipated that the first plan will be completed?

Hon SUE ELLERY: Looking at what has happened in other jurisdictions, it will most likely take between 18 months and two years.

Hon PETER COLLIER: Is the minister saying that by the time this gets through, it will take 18 months to two years from today, or will it be from royal assent?

Hon Sue Ellery: From when the body starts.

Hon PETER COLLIER: Which could be?

Hon Sue Ellery: It is anticipated that it will begin one month after assent.

Hon PETER COLLIER: So it will probably be by the end of 2020 or early 2021.

Hon Sue Ellery: It could be.

Hon MARTIN ALDRIDGE: I understand that Infrastructure WA will have the ability to recover costs from agencies for assessing major infrastructure proposals. Can the minister tell me how that figure of \$15.3 million over four years relates to its ability to cost recover? Is that a net cost or a gross cost?

Hon SUE ELLERY: The cost recovery process can be done only through regulation, so it is not automatic. It is anticipated to be used only if that \$15.3 million is deemed to be not sufficient. It is not anticipated that the cost recovery power would be initiated, if you like, until after the strategy is in place.

Hon MARTIN ALDRIDGE: With regard to the \$1.8 million cost in this financial year, the minister mentioned that a part of that would be costs associated with chair designates. Could the minister specify for me exactly how much of that amount is for Mr Langoulant's costs this year and for what purposes Mr Langoulant has been engaged this financial year for that remuneration?

Hon SUE ELLERY: The remuneration this year is paid pro rata out of that \$109 000. I have not done the maths; I am sorry about that. The annual remuneration is \$109 000 and he will be paid pro rata for 2018–19. The purpose of his engagement is to assist with the establishment of the body—for example, to assist with advice on the expressions of interest process to attract potential board members and early stakeholder engagement.

Hon MARTIN ALDRIDGE: Essentially, Mr Langoulant is receiving now the remuneration he would expect to receive as chair of Infrastructure Western Australia, despite the fact that Infrastructure WA has not yet been established. How was that figure of \$109 000 per annum determined? I recall the minister in her reply referencing other similar bodies. Can the minister confirm that for me and how the recommended remunerations for board members will be assessed in future once the board has been established?

Hon SUE ELLERY: The process of the chair designate assuming the position was done in accordance with advice from the Public Sector Commissioner. As I said in my second reading reply, the Public Sector Commissioner has provided advice on the rate for board members. Board members receive \$42 000 a year, the deputy chair receives \$46 000 and the chair receives \$109 000. That was determined on the advice of the Public Sector Commissioner and it is consistent and comparable with the remuneration for infrastructure boards in other jurisdictions.

Hon MARTIN ALDRIDGE: In respect of the development of the strategy, does the government have the power to direct in any way that Infrastructure WA, once established, not consider a piece of infrastructure for the purposes of the strategy?

Hon Sue Ellery: Can I just clarify the question: is it about the power to direct that Infrastructure WA not consider something?

Hon Martin Aldridge: As part of the strategy, yes.

Hon SUE ELLERY: I draw the attention of the member to clause 59(1) of the bill, which states —

The Premier may give ... directions ... about the performance of its functions, and Infrastructure WA must give effect to the directions.

However, subclause (2) goes on to state that the Premier cannot give —

A direction ... about the ... content of any strategy, advice, report, guideline or other document ...

The Premier cannot direct that something be included or not included.

Clause put and passed.

Clause 2: Commencement —

Hon PETER COLLIER: I am confused by this clause, which states —

This Act comes into operation as follows —

(a) Part 1 — on the day on which this Act receives the Royal Assent (*assent day*);

I understand that, obviously, but it then states —

(b) section 8(1)(b) and Part 3 Divisions 2 and 3 — on a day fixed by proclamation, and different days may be fixed for different provisions;

Can the minister explain why we have different days?

Hon SUE ELLERY: Yes, I can. There are different commencement dates for different parts of the legislation. On assent day, part 1 comes into effect. Section 8(1)(b) and part 3 divisions 2 and 3 are delayed functions that provide for the assessment of major infrastructure proposals and the state infrastructure program. The commencement date of these functions will be set for a date fixed by proclamation. The delay will allow Infrastructure Western Australia to develop the state infrastructure strategy, which will fundamentally underpin IWA's assessment of major infrastructure proposals and the state infrastructure program. As I answered earlier, based on the experience of other jurisdictions, it is anticipated that the strategy will take approximately 18 months to prepare. The state infrastructure program, which is captured in those parts, cannot be developed without the strategy in place, because the program must, to the extent that it is supported by the government, consider the recommendations in the strategy. The rest of the act will start one month after assent to allow time for the board to be appointed, taking into account cabinet and Executive Council processes.

Hon PETER COLLIER: I am just a tad confused. When is it anticipated that the strategy will be completed?

Hon SUE ELLERY: Based on what happened in other jurisdictions, it is anticipated that it will take 18 months to two years. The assessment of major infrastructure projects and the state infrastructure program are captured in proposed section 8(1)(b) and part 3 divisions 2 and 3. Those things cannot occur without the strategy being established first, so those sections of the legislation will not come into effect until the strategy has been developed. That will take 18 months to two years.

Clause put and passed.

Clauses 3 to 7 put and passed.

Clause 8: Functions —

Hon AARON STONEHOUSE: This might have been answered in the debate on clause 1, but I figure that clause 8 is a good place to pick it up. The minister said that it may take up to 24 months to develop the strategy, which means that there might be a period in which projects undertaken by the government will not be subject to review by Infrastructure WA. Is there anything that will allow Infrastructure WA to look at projects already underway and provide advice about or reviews of them?

Hon SUE ELLERY: There are a couple of issues there. In my second reading reply, I think I mentioned that many of the large infrastructure projects that are underway or being contemplated now have attracted significant federal funding, which means they must go through Infrastructure Australia; therefore, they are captured by that similar federal process. The Premier will be able to direct Infrastructure WA to audit or provide advice about an infrastructure project if there is a view that it has gone off the rails or that something needs consideration. The Premier can request that, but there is not a provision for an automatic retrospective process to look at everything that has ever been done.

Hon AARON STONEHOUSE: Is it correct that Infrastructure WA would not have the ability to initiate a review of a project off its own back; it would be only at the direction of the Premier if there was a project that he wanted Infrastructure WA to look at?

Hon SUE ELLERY: I take the honourable member to clause 8(1)(i), which provides the capacity for Infrastructure Western Australia to review and report to the Premier on completed infrastructure projects. It is anticipated that that function will be used only if there is a view that it is worth looking at whether lessons can be learnt about governance or that kind of issue. It is not about undoing a project or taking over a project. That is not the function of IWA.

Hon AARON STONEHOUSE: Thank you, minister; that answers my question. Clause 8(1)(b) provides that one of the functions of IWA is to assess and report to the Premier on major infrastructure proposals, in accordance with part 3 division 3 of the act. The bill provides that part 3 divisions 2 and 3 will be fixed by proclamation. Presumably there will be a delay between when the act is assented to and when the strategy is completed. During that period, any projects commenced by the state government will not be subject to scrutiny or advice from Infrastructure WA, unless the Premier directs IWA to look at those projects. That is because those projects will be underway by the time the strategy is up and running and those parts of the act come into effect by proclamation. So that everybody is clear, Parliament may pass this bill today or the following day, and it may be assented to very soon, but IWA will not start to look at projects that are under construction until two years down the track.

Hon SUE ELLERY: I want to make it clear that that is because there is a very clear hierarchy. The first piece of work that has to be done is the establishment of the strategy, because that will set the criteria, if you like, by which projects will be assessed. We cannot get to stage 3 before we have completed stage 1. The first part of the hierarchy is to establish the overriding strategy. IWA will then carry out its function of looking at respective projects according to the strategy. I make the point again that we have been very successful in attracting federal funds for a wide range of our infrastructure projects, and that requires that they are assessed by Infrastructure Australia.

Hon MARTIN ALDRIDGE: Following on from Hon Aaron Stonehouse, and so that I have this clear, the strategy is at least 18 months away?

Hon SUE ELLERY: It is 18 months to two years away.

Hon MARTIN ALDRIDGE: So we will not see the strategy until around the next election?

Hon Sue Ellery: Possibly.

Hon MARTIN ALDRIDGE: What is the trigger for the projects that will be subject to this bill once passed? Is it once a project has been cabinet approved and budget funded—is that the point at which a project will no longer be able to be assessed or must be referred to Infrastructure WA—or will shovels need to be in the ground and that is the point of no return?

Hon SUE ELLERY: It is before the investment decision is made. It is way before shovels are in the ground. Clause 3 provides definitions—for example, of “major infrastructure proposal”. It has to be done before the investment decision is made.

Hon PETER COLLIER: I brought this up in my second reading contribution. This will include all government departments and government trading enterprises. It is a whole-of-government proposal. That means that Education will be captured. Why?

Hon SUE ELLERY: Education is no different from any other agency that delivers infrastructure projects. It remains to be seen whether schools will be captured. The trigger, if you like, is if the project is worth \$100 million,

or if the Premier requests that it be considered. We have not yet made a policy decision on that. However, frankly, as Minister for Education and Training, I would be comfortable with that, because I am confident that the process is sound. We have not yet made a policy decision about whether we will bundle up all primary schools. The Premier has not made a decision that, as a matter of policy, we will refer them all or we will not refer them all. It is more likely than not—as the Leader of the Opposition made the point in his second reading contribution—that secondary schools will be captured, because they are much closer to the \$100 million mark than primary schools. Education is no different from any other agency that builds infrastructure, and it should not be treated any differently. However, no policy decision has yet been made about that. I imagine that the strategy may consider schools of any particular dollar value, but it remains to be seen in practice how those things will be bundled up or not bundled up.

Committee interrupted, pursuant to standing orders.

[Continued on page 3792.]

Sitting suspended from 4.15 to 4.30 pm