

**Extract from Hansard**

[ASSEMBLY — Thursday, 12 September 2013]

p4021b-4038a

Ms Wendy Duncan; Deputy Speaker; Mr Roger Cook; Mr Paul Papalia; Mrs Michelle Roberts; Mr Joe Francis;  
Dr Tony Buti; Mr Ben Wyatt; Ms Rita Saffioti

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**APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2013–14 BILL 2013**  
**APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2013–14 BILL 2013**

*Estimates Committees A and B Reports and Minutes — Presentation*

**MS W.M. DUNCAN (Kalgoorlie — Deputy Speaker)** [11.02 am]: I present to the Legislative Assembly the reports and minutes of Estimates Committees A and B.

[See papers 770 and 771.]

*Estimates Committee A Report — Adoption*

**THE DEPUTY SPEAKER (Ms W.M. Duncan)**: I move —

That the report of Estimates Committee A be adopted.

As members are aware, the estimates committees were held from 20 August to 23 August. On each of those days we had two committees sitting—committee A and committee B—in the two chambers of the house. They sat from 9.00 am to 10.00 pm each day. It was quite a timetabling challenge for the staff, and I would like to thank them for their contribution, particularly the Deputy Clerk, Kirsten Robinson, and Scott Nalder, as well as Jaclyn Berry and Pierra Sanders who put a great deal of effort into preparing the timetable and making sure that everything ran smoothly. I thank the Acting Speakers involved, the members for Southern River, Geraldton, Mirrabooka, Maylands and Morley, for their contribution, and in particular the member for Forrestfield who came in to help out. It is quite a demand on members' time.

Members may be interested to know that in Estimates Committee A, 168 opposition questions, 67 government questions and 302 further questions were allocated. In Estimates Committee B, 246 opposition questions, 120 government questions and 483 further questions were allocated. According to the figures that have been provided to me by the parliamentary staff, a total of 414 opposition questions and 187 government questions were asked. Another interesting aspect is that in committee A, 59 supplementary information requests were made and all have been answered; and in committee B, 48 supplementary information requests were made and all have been answered. I thank members for their cooperation and commend these reports to the house.

**MR R.H. COOK (Kwinana — Deputy Leader of the Opposition)** [11.05 am]: I rise to comment on the conduct and process of Estimates Committee A. When I was a young man, which was at least the Tuesday before last, I would watch Senator John Faulkner sitting in late-night committee meetings slowly pulling apart a minister or a department or sorting through the entrails of a budget. I would look at the very detailed analysis associated with that process. That was always the impression I had of what would happen when I got to Parliament—that there would be a timeless opportunity to chew over the facts and delve into the details of the budgets and legislation that were before the chamber. I guess, like a lot of people, I have had my expectations of Parliament somewhat curtailed. As we understand the reality associated with the process, we know that we have neither endless hours nor endless opportunities to cross-examine people.

In years past I have been very frustrated by the estimates process because it was almost a lottery to get an opportunity to cross-examine a minister, to ask follow-up questions and to get a response to questions asked by other members of the committee, and then to try to get the information that one was looking for. I thought the process and conduct of the committee this year was much more effective and much more efficient than it was in years prior. We opposition members not only had the opportunity to go into some detail on the question before us, but also had the opportunity to get a response to other questions. This provided all members at the committee with a very important opportunity for further inquiry into matters at hand. The pleasing thing was that this process did not vary between the different chairs of the estimates committee. A consistent approach was taken between the various chairs, and for that reason we could move forward with some confidence and a great deal more certainty about the way we could conduct the inquiry. We were not desperate to blurt everything out in the first sentence out of fear that we were not going to get a second bite of the cherry. In particular I commend Madam Deputy Speaker for the role that she played as chair of Estimates Committee A.

As has become the custom, the minister certainly filled this place with his various advisers.

**Dr K.D. Hames**: I only had half of what you had.

**Mr R.H. COOK**: So the minister keeps reassuring us. There was an army of advisers and public servants to assist the minister in division 9 dealing with the Department of Health. As usual, the minister was generous with the opportunities he gave us to seek further answers from the department assembled. I should say, however, that that was of neither great comfort nor utility when it came to the answers provided by Mr Wayne Salvage, which

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were so precise, complex and detailed that one really needed a good three-week period afterwards to go through the *Hansard* to dissect exactly what he said. He must be considered a public servant par excellence.

**Dr K.D. Hames:** The former chief executive officer gave double that length of speech. You would get to the end of it and you would have no idea what he said.

**Mr R.H. COOK:** It was not the length of time he took to answer the questions but just that he provided extraordinary detail and went through his answers with forensic analysis, almost to the point where one begged for mercy for him to answer no more.

**Dr K.D. Hames:** There were some good discussions.

**Mr R.H. COOK:** He is very, very good, as indeed were all members of the department who were advising the committee. Obviously, it remains a frustration for us that we never come away from an estimates committee meeting with full details or exactly those nuggets we were looking for, but it is fair to say that we were given ample opportunity to work our way through the division. As it relates to almost a quarter of the budget, obviously it requires —

**Dr K.D. Hames:** More than a quarter; it is 26 per cent.

**Mr R.H. COOK:** It is 26 per cent of the budget; the minister is improving! As health involves 26 per cent of the overall budget, we are given due time and opportunity to undertake that analysis. There is a great deal of detail in the health budget and there is a great deal of information that we, as members, have to get our heads around to be familiar with it. One of the frustrations with the WA health budget is the ongoing difficult relationship it has with the provision of mental health services. That is never more evident than in the answers we continue to receive on the redevelopment of Graylands and Osborne Park Hospitals. When we ask the Minister for Health what is happening with the redevelopment of Graylands Hospital, he says, with his hand on his heart, “I would love to provide some answers to the good member with regard to that, but that is of course to do with the Minister for Mental Health and you will need to talk to the Minister for Mental Health about that.” I kid members not, but on other occasions when I have gone to the Minister for Mental Health to ask about these sorts of matters, which of course occur in a different part of the budget, the Minister for Mental Health puts her hand on her heart, or his hand on his heart as it was her representative at that time, and says, “I’m sorry, sunshine, but that actually involves the health budget; it is nothing to do with me.” These are ongoing structural issues that we will continue to have to deal with. Perhaps there will be an opportunity at some point in the future for the Minister for Health and the Minister for Mental Health to sit together with all the advisers duly assembled and we might get to the bottom of the matter of the capital development associated with the mental health portfolio.

**Dr K.D. Hames:** Alternatively, because we have split off the funds for mental health services, we could have that in the budget of the Minister for Mental Health. That would mean that the health advisers would have to join him or her in that division, but it is not impossible to have that component in that minister’s division.

**Mr R.H. COOK:** It has never been completely obvious to me why that capital component is in the health budget; the Minister for Health is then essentially a proxy for the Minister for Mental Health. That is perhaps one of those other things that we need to think about. I am still not entirely convinced about the full merits of that division between health and mental health, because it creates some problems in terms of wraparound policies that are there for the benefit of patients as required. However, that is as it is. From that point of view, we have to make do.

I thank the other members of the committee for their participation. In particular I make note of the member for Mandurah’s contribution to the debate, particularly around finding some sort of definition for that somewhat elusive word in the English language, “eradication”. I am speaking about the eradication of mosquitoes from areas of high risk. It will not surprise members that we were locked in hot debate for some time trying to define “eradication”. I think it is fair to say that even though the members for Dawesville and Mandurah represent similar areas, they stand in stark contrast on what they think “eradication” means. We might one day have standing orders provide a specific reference to “eradication” so that we can understand whether mosquitoes will indeed disappear from the face of the earth in the Mandurah, Bibra Lake and Maylands areas, or if —

**Dr K.D. Hames:** I will find out how much a mosquito eradicator costs; you put it in your backyard and it kills mosquitoes. It is called a mosquito eradicator.

**Mr R.H. COOK:** The minister has provided an extra dimension to the debate; we now also go into trademark law and how that might apply!

Just on the issue of unit costs, one of the features of the examination of division 9 included an examination of the issue of activity-based funding in health. This is a curious aspect of the whole budgetary process. As the minister

explained, under activity-based funding if 10 patients walk through the hospital door, they are funded as if 12 patients had walked through the door. The problem is that if the Department of Health predicts that only 10 patients will walk through the door, that is an on-cost to the health budget. How we predict the level of demand is really quite important in making sure that there is some integrity to the health budget. The fact of the matter is that we do not know what the health budget is, because so many aspects of it are now tied to these activity levels. The minister is in part absolved from any responsibility for the extent of his budget because he simply passes that off as activity-based funding, which is therefore outside the confines of the budget. That is not a problem when a government is moving quite smoothly through the budgetary process, but when a government is managing a razor-thin budget surplus it becomes a real issue; that is, has the department predicted the activity level inside the health system to the extent that the government can therefore be confident about its operating surplus? Those are very real questions around the issue of the effectiveness of the whole budget process. Indeed, while the health budget has grown by eight per cent year on year, the government has predicted that this year it will grow by only 4.5 per cent. That invites a very real question: why are we seeing only a 4.5 per cent growth, and is that not a real issue in the context of the government's overall operating surplus? The minister explained that that is not the case. The minister said that it will not be a problem if the budget is out of whack because we will simply go back to the midyear review. That undermines a range of things. The first is that it undermines the fiscal action plan, which the Treasurer talks about, because he knows that in part his fiscal action plan is handcuffed to the activity-based funding program inside the Department of Health. A resurgence of growth in the demand for health services leads to growth in the actual health budget, and that has a very real impact on the government's overall budget management. The activity-based funding model is based upon a weighted hospital separation process by which a price is applied to the costs of a hospitalisation episode. This is based upon an average weighted acuity to the issue that the person is in hospital for. This provides us with an overall price. Ultimately, therefore, if we understand the number of visits or separations from that hospital, we will understand the costs to the health system. If we eradicate every mosquito in the Mandurah area, it is important to know the number of mosquitos. If we have a number of mosquitos and we have—I think it is a \$3 million promise —

**Dr K.D. Hames:** Four.

**Mr R.H. COOK:** If we have a \$4 million promise for the eradication of mosquitos, we can therefore provide an efficient price for the eradication of mosquitos.

**Mr T.R. Buswell:** You'd have to know the rate of reproduction as well.

**Mr R.H. COOK:** Indeed, that comes down to the population projections, which is one of the issues that we have criticised the department for before.

**Mr T.R. Buswell:** And migration! They might fly in from other areas.

**Mr R.H. COOK:** For mosquitos —

**Mr T.R. Buswell:** And FIFOs!

**Mr R.H. COOK:** If we divide the cost of the mosquito eradication program by the population projection and the rate of reproduction of mosquitos then we have a cost per unit for the eradication of mosquitos in the Mandurah area. Now that would be an efficient budgetary process that we would expect the government to adhere to with some diligence and discipline in the future.

**Dr K.D. Hames:** Very true; except that it is a Western Australia-wide mosquito eradication program, not just Mandurah.

**Mr R.H. COOK:** I understand the promise completely, minister! But I am being kind to the minister; I assume that Mandurah will be his first port of call, given it is a topic about which the minister and the member for Mandurah have locked horns for some time in the Estimates Committee A hearings. When we get to the sandfly eradication program, which I am sure the minister will ultimately announce as part of the northern health initiative, we can maybe seek further calculations around those issues and we can move forward with similar budgetary discipline to make sure we eradicate sandflies as well as mosquitos.

The Estimates Committee A hearings were a useful process, although I think it is fair to say that, with the open-ended nature of a lot of the spending commitments in health, and from my emerging appreciation of the budgetary process, the midyear review now comes into sharp focus in the ongoing analysis of the budgetary process. For instance, the government has signalled a range of capital expenditure outside the budgetary process. Also, as I discussed, this committee was capable of examining a range of recurrent expenditure that falls outside the striking of the budget and therefore the budgetary process. From that point of view, there is a need for the estimates committee process to be extended beyond the simple—I should not say “simple”—beyond the discrete budget itself. As we now know, given the dynamic nature of government and the open-ended nature of the health

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budget itself, there is a need for further ongoing analysis by an estimates committee to cross-examine ministers on government expenditure in this area to make sure we capture a true representation of the budget and to provide an examination of that process to ensure accountability is maintained.

**MR P. PAPALIA (Warnbro)** [11.24 am]: Enthralling though I find the discussion about the mosquito population in Mandurah, I must draw the attention of the house to more pressing matters, in my view, with respect to Estimates Committee A. My concerns about Estimates Committee A also apply to Estimates Committee B because, contrary to the view of the member for Kwinana, I was not very pleased with the way the estimates hearings were arranged and organised; particularly in the portfolios I have to focus on. I do not want to contradict him too much, but my experience of the estimates hearings was yet again one in which it appeared that the government chose to shield poor-performing ministers in controversial portfolios from proper scrutiny. It does this, and has done this in the past, through arranging for the programming of the ministers representing those portfolios to be concurrent with each other; thereby restricting the ability to question either or both of the ministers in question about their portfolios and the flaws and failures they have committed.

**Mr T.R. Buswell:** How does that work?

**Mr P. PAPALIA:** If the Treasurer would allow, I am about to explain. In this case, we are talking about the Minister for Tourism, who is newly appointed. The government had very embarrassingly just sacked its quite popular tourism minister—popular amongst the sector, albeit having failed to deliver on a pre-election promise to increase destination marketing funding to the tourism sector—the member for Dawesville. He was sacked just prior to the estimates hearing, and replaced with the member for Scarborough. This minister had had only days—I think it was not a week, it was days—in the portfolio. It would have been interesting to question her thoroughly in her portfolio about the circumstances that led to the breaking of a significant promise to the tourism sector. That would have been a worthwhile activity; certainly worth a degree of time to focus on in the estimates process. But her appearance in Estimates Committee A was programmed at exactly the same time as the Minister for Corrective Services in the Estimates Committee B hearing; that is, specifically for four o'clock. I am not talking about a window within which we might have had some flexibility. It was specifically at a time when, because I represent both of those portfolios, I could not physically be in both places.

To his credit, the Minister for Corrective Services provided a degree of flexibility, demonstrating his willingness to shift amongst his other portfolios by moving that particular division to the front of his time allocation. But the problem is that it then meant we had to constrain all the questioning of the corrective services portfolio to an hour as well. We had one hour to talk about corrective services, and it is not as though there was not much interest in corrective services. It is not as though it was free of any public interest or controversy in the few months prior to estimates. There were and are significant issues in the corrective services portfolio—perhaps much more significant than might be expected of a division that does not have a huge allocation of funds by comparison, for instance, with health, where they get many hours to discuss things such as mosquito populations in one or two electorates. To the extent that that shadow portfolio holder was very comfortable with having had enough time to question his minister, this was not the case with corrective services. It is not the minister's fault. I understand and appreciate his willingness to shift that particular division so that we at least had an hour. However, I do not think it was adequate. It was made less so by the determination of the member for Bunbury to ensure that he prosecuted his fair share of dorothy dixers on behalf of the government.

**Mr N.W. Morton:** You wasted a bit of time in that session, if I remember rightly, too!

**Mr P. PAPALIA:** The member does not remember rightly. What he remembers is —

**Mr N.W. Morton** interjected.

**Mr P. PAPALIA:** Having been here a little longer than a few months, I have attended a few estimates committees on occasions on which ministers are comfortable with their portfolio, and I am not necessarily suggesting that the current minister is not. During previous estimates hearings, the former Attorney General and Minister for Corrective Services, the then member for Bateman, was quite comfortable with directing members on his side of the house, noting that we had a time constraint and noting the controversy associated with his portfolio, to not ask dorothy dixers.

**Mr J.M. Francis:** I hope the member realised that I tried to make the government answer as quickly as possible so that I could spend more time on his questions.

**Mr P. PAPALIA:** I appreciate it is difficult to control but, as the minister knows, we had only an hour and, as I said, the member for Bunbury was very determined that he would ask as many dorothy dixers as he could, and I understand that. Earlier I suggested that that may be a tactic employed by the government, and I only say that because it has happened so frequently in the six years that I have been a member of this place—at least half that time, or every second estimates hearing. It may be a coincidence, but my concern is that it draws into question

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the willingness of the government to expose itself to proper scrutiny, particularly in certain portfolios. Tourism is a controversial portfolio because there was a significant broken promise. Prior to the election, the Barnett government promised additional expenditure of \$24 million over four years in destination marketing—not a large amount of money in the scheme of the budget, but a significant amount of money for the tourism sector. During estimates, we managed to elicit from Stephanie Buckland of the Tourism Commission that for every dollar of expenditure in destination marketing, modelling suggests the state receives a revenue return of \$15 to \$19, which is significant. If the government then breaks its promise and delivers only \$9 million rather than its additional \$24 million, that ratio of a return of \$15 at least to every dollar spent means the government has broken a significant promise and its broken promise will hurt the tourism sector. But it was not just that a significant amount of money was removed from the budget. For months the tourism sector had planned, invested and projected its returns based on the additional expenditure. This government was, in effect, ripping the rug out from under a sector that has been doing it tough in recent times with the elevated Australian dollar and the associated challenges, and more recently the downturn that has the mining sector transitioning from construction to production, which has resulted in a massive drop-off in business travel. The tourism sector knew all those things and had projected and planned for those other factors in a professional and efficient fashion. It had anticipated that the government would keep its word on its investment, which has such a direct return. It is so well modelled and has been so well documented for some time now that the tourism sector knows that if the state injects that dollar, then, on behalf of the rest of us, the sector will receive a \$15 to \$19 return.

Beyond that, returns are modelled for the number of jobs generated. Again, bearing in mind the transition of the mining sector from construction to production, which results in a reduction in employment and a need to fill that gap to step up to the market and ensure we do not suffer prolonged increases in the unemployment rate in this state, the opportunity to put in a dollar and know that we will get that return in the order of one job for every \$100 000 spent by the state in destination marketing is extraordinary. I suggest a known return is almost unique at a state level. When the government broke that promise, it was significant. I wanted to draw the new minister's attention to the seriousness of what her predecessor had done, and the seriousness of what she has done as part of the cabinet. Breaking that promise meant a lot to a significant sector in Western Australia, and it meant a lot to the rest of us because we need the tourism sector to step up and fill the gap as commodities come off and the mining sector reduces its contribution to state employment and revenue. That is essential. That was one of my disappointments.

My other disappointment, looking across to the Minister for Corrective Services, is that during the estimates committee we were constrained by necessity to spend only an hour on the corrective services portfolio. We know there has been much controversy with corrective services throughout the tenure of the Barnett government. I am glad the member for Forrestfield is here because last night he interjected during the course of a contribution, suggesting to me that the Labor Party in office had somehow contributed to the growth in the prison muster. I commend to the member for Forrestfield a wonderful paper called "Justice Reinvestment—an option for Western Australia?", written and published in the Law Society of Western Australia's magazine *Brief* in September 2010. It has an excellent author, who occasionally suffers from a lack of modesty. It was written by me, but it is a good paper and in the first paragraph the member for Forrestfield will be able to read that in the first 18 months of the Barnett government, the prison muster of Western Australia soared by 27 per cent.

**Mr N.W. Morton:** Despite your modesty, member, I will have a read.

**Mr P. PAPALIA:** Good. It is a good paper. If there is one field of endeavour that the Barnett government cannot brag about, it is reducing —

**Mr N.W. Morton:** Shall we debate the Labor Party's record on law and order?

**Mr P. PAPALIA:** I would happily engage in that anytime the member wants, as would many of us on this side of the house, but not during debate on the Estimates Committee A report.

The point is that this portfolio needed focus. It has been a calamity for Western Australia. That 27 per cent increase in the prison muster in the first 18 months under the Barnett government increased by \$90 million the recurrent expenditure by the taxpayers of Western Australia on housing prisoners. If members look at past budget papers, they will see a consistent escalation in the cost to the state of only housing—doing nothing in the way of reducing recidivism—prisoners. That alone would be worthy of great focus but, as the minister knows and as the members on the government side should know, juvenile detention in this state has been consumed by absolute chaos in the past six months as a direct result of an appalling decision by the Barnett government, made as far back as 2009, to shut one of only two juvenile detention facilities and cram all juveniles into the one remaining facility. That matter deserved far more scrutiny than it got. Unfortunately, because of the scheduling of both those portfolios concurrently during the estimates committees, it was not possible to give it more scrutiny. I urge anyone responsible for planning next year's estimates committees to take into consideration what

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has been going on in some of these portfolios and to not open the government up to accusations of cover-up or the shielding of weak portfolios or weak ministers through the double booking of portfolios.

**Mr J.M. Francis:** For the record, the member called me the day before and asked me to reschedule three portfolios and off-budget authorities, which required me to go out of my way to make time available to fit in with his schedule.

**Mr P. PAPALIA:** The reason I called the minister is that the people who had been negotiating on my behalf for a week or more before that time had met with fruitless outcomes. I appreciate what the minister has said. I am now speaking to the people who may have done the scheduling this year and to those who may do the same thing in the next few years. I ask that they take into account the challenge of programming at the same time portfolios that have significant issues. They may not be as large budgetary wise as the health and education portfolios, but some of them draw just as much attention. The scheduling must consider the public focus at the time, and I ask that they be a little more flexible in the future.

**MRS M.H. ROBERTS (Midland) [11.40 am]:** I took part in Estimate Committee A and I was very disappointed with the conduct of that committee and the lack of transparency by the minister responding to questions for the tourism, police and road safety portfolios. I will start by briefly mentioning the tourism portfolio. The Minister for Tourism told members of this house who asked questions during the estimates committee to ask their question via the freedom of information process. That shows contempt for this Parliament, and certainly for any form of transparency or accountability. With the current member for Scarborough, the Minister for Tourism, half the time we do not know whether it is because she does not know the answer or she is being deliberately obstructive—perhaps it is a combination of both. I want to put on record that no minister should front the estimates committees and say, “Why don’t you put in an FOI application?” Under the Westminster system, ministers need to be accountable in this Parliament. We have a long history of transparency and accountability via the estimates committee process. We did not see that from the Minister for Tourism.

We then went on to the portfolio of police, which was also allocated to Estimates Committee A. What I saw happen there, I have never ever seen happen in this Parliament before. I do not think it has ever happened in this Parliament before! The member for Hillarys was excluded by the government from a committee that he wanted to be on. If it were not for the graciousness of the member for Mandurah, a Labor member of Parliament, giving up his position on the committee, the member for Hillarys would not have been able to fully participate in that committee.

Several members interjected.

**Mrs M.H. ROBERTS:** Some members on the other side can interject and laugh about it, but it is a serious matter. Even though the member for Hillarys is a Liberal Party member, and I have had a lot of arguments with him over the years, the one thing I have always conceded is that he is very genuine on the topic of road safety. Many members here will be aware of his personal circumstances; some of the newer members may not.

**Mr J.M. Francis:** He just came over, no doubt, to ask you to make this point in your speech!

**Mrs M.H. ROBERTS:** I have some yellow tabs marked “Rob J” on my copies of the budget statements, which I attached much earlier and which I always intended to refer to. The minister is starting another character assassination of the member for Hillarys.

**Mr J.M. Francis** interjected.

**Mrs M.H. ROBERTS:** I have raised nothing here that did not happen in the house! The minister is interjecting about the member for Hillarys. Does the minister know his personal circumstances when it comes to road safety? Does the minister think that perhaps the member for Hillarys has a right to be on that committee and to ask a few questions? The member for Hillarys championed the cause of putting 100 per cent of revenue from speed and red-light cameras into the road trauma trust account. As the former Minister for Police, the member for Hillarys was transparent and put that information in the budget. Can members guess what this new minister has done? The new minister did not include the Road Safety Council in the budget papers. We had one line hidden in the transport minister’s budget. We asked what line item we could refer to in the budget papers. Where was the budget for the Road Safety Council, and how could we know where over \$100 million worth of speed and red-light camera funding was being spent? There was no transparency. I largely blame the Treasurer for this, because he is the trickiest and least transparent of all! He has been too clever by half. On the day of the estimates committee hearings—I do not have the paper copy here with me, but I have a copy on my iPad—we were given a single page. It could not be tabled by the minister during the estimates process, so she had to hand it across the chamber, and we got a few quick copies. The minister said, “Ask your road safety questions!” What kind of transparency or accountability is that? We got one page, and what we found, on the spot, was an allocation in

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round figures of \$76.5 million listed to be expended by the government. We also found that the Road Safety Council had allocated \$104 882 million, which is a significant discrepancy. We know from the previous minister's press release that in 2012–13 he announced over \$87 million worth of projects to be funded out of the road trauma trust account. That represents a \$10 million drop in the money available to the road trauma trust account from speed and red-light camera fines. Clearly, the expert committee, the Road Safety Council, believed there would be over \$100 million available. Why else would it have attempted to allocate \$104 million? I might get the figure slightly wrong, but about \$40 million is sitting around in the road trauma trust account that was not expended in 2012–13, which the government is holding there to balance its books. Far from spending 100 per cent of the revenue raised from speed and red-light cameras on road safety, some of it is being kept in the bank account to balance the books, and the rest of it is not being allocated at all.

When we look at the actual expenditure there—it is difficult to raise these matters when we are given the page on the spot—we find that the Road Safety Council has one set of recommendations and the cabinet, through its processes, and the Treasurer, have signed off on something else. It is not just that they trimmed the budget and said that the council could not have all of that and they would trim it by about 30 per cent; they trimmed it by vastly more than that because the administration costs of government were then allocated by cabinet. I will highlight these examples. The Road Safety Council made no allocation in business case 4, excess and inappropriate speed crashes and enhanced speed enforcement administration costs for WAPOL, but cabinet allocated \$7.4 million. Again, the budget papers show more administration costs for the Department of Transport, but the Road Safety Council said that it did not think this money should be spent on administration. The Treasurer raked in \$2.5 million from the Department of Transport. Similarly, the Department of the Attorney General received \$103 000 for its administration costs. Over \$10 million, which was not recommended by the Road Safety Council, has been siphoned off in administration costs. I raised the point yesterday in Parliament that part of what the \$87 million was supposed to go on last year was to provide 64 000 extra hours' worth of traffic patrol. When we look over the last five years, we find an incredible decline in the amount of traffic control carried out by WA Police. That was something the former Minister for Police said he would fix, and he allocated money from the road trauma trust account to cover the wages of 20 officers and for 64 000 extra hours. What do we see from this minister? She is running a shambles. Yesterday the minister said, "Why don't you try putting a question on notice?" I put a question on notice months ago, knowing that the Barnett government had promised it would increase the traffic patrol hours. The government knew that, prior to the election, the RAC had called for a stop in the decline in road traffic patrol hours, because that is important to achieve the road safety outcome.

I asked the minister what the traffic patrol hours were for each of the last five years. I got an answer in Parliament, which I compared with the annual report, and it was chalk and cheese—the figures were not even close. We got to estimates and I asked again, and guess what? I got a different set of figures again. I told the minister that those figures were a bit closer to the ones she gave me in answer to the question on notice, but they were not exactly the same, and I asked her how she explained that the figures in the annual report were nothing like the other figures. We saw the embarrassing situation on Monday when the Minister for Police had to issue an erratum to the police annual report because—guess what?—the figures were wrong. This minister has no knowledge of or interest in the traffic patrol hours. This is a core thing for road safety. The former minister understood that and he allocated the money for it. What has happened to the money out of the road trauma trust account that was supposed to give 64 000 additional hours' worth of traffic patrols? Does the Treasurer know? Western Australia Police has admitted to a decline of about 12 000 hours, and since about 2008 there has been a decline of around 132 000 hours' worth of traffic patrols.

I still have not quite finished on the issue of the member for Hillarys, whom the member for Mandurah very graciously let sit in on the estimates committee. On that evening the member for Hillarys said to estimates committee A that staff from the Minister for Police's office had instructed the people doing the committee roster for the Liberal and National Parties that he was not to be a member of the committee. The member for Hillarys said that he would lodge a complaint with the Public Sector Commissioner. I hope that he has done that and I expect he would have done so because he generally keeps his word. I hope that that is being investigated properly because never before has anything like that happened, with people outside this Parliament—people in the minister's office—dictating which members of Parliament can be on which committee. That is certainly a matter worthy of investigation.

I am glad the Treasurer has come back into this place because I want to deal with the matter of efficiency dividends and the tricky way that this whole budget has been done. I follow the police budget fairly closely; I do not follow all the other budgets closely. The police budget, of course, was a subject of committee A. Last year, not this year, the efficiency dividends for that year and the out years were listed. This year that has not occurred.

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I put it to the house that this is because, again, we have a Treasurer and a government that are not transparent and not accountable. They do not want to tell people what the actual so-called efficiency dividend cuts are.

We know that last year's budget was built on a lie. Last year the government said that there would be a \$21 million efficiency dividend for police. By midyear that figure was going to go up to closer to \$40 million, and it ended up being an efficiency dividend of about \$28 million, which is a cut to the police budget. When I say that the budget is a lie, in the budget there are all the divisions, the line items and those allocations of money. However, they are not real, because shaved off various areas are the so-called cuts or efficiency dividends; the government is not transparent or accountable about telling us and does not want to even admit where they are. I thought that was pretty bad last year, but at least last year that money was listed in the budget.

When I asked questions about it in estimates—I gather some similar stonewalling happened in other budget hearings—I was told that they were not listed in the budget and so I could not be told. That is my first summation of what the minister said. I explained to her that last year those figures were listed: \$21.184 million for 2013–14, \$33.458 million for 2013–14 and \$59.56 million for 2015–16. Then we found out that the efficiency dividend totalled \$28.3 million, so it is not the \$21.84 million that was in last year's budget, but \$28.3 million. I said that that figure had blown out and gone up, and that the Treasurer was raking in more from the police service. I asked what would happen in the next few years. After a while—it was like drawing teeth—those figures were provided to us by Mr Kannis, at the minister's request. What did we find out about the hidden figures—the ones we were not told about in the budget? We found out that the \$33.64 million I referred to as being listed in last year's budget papers as the cut for 2014–15 had gone up to \$46.4 million. On the face of it, that is more than \$30 million extra cut out of the police budget for 2014–15. On top of that, there is \$3.5 million for the global savings target, which I do not have time to talk about just now, so that is \$49.9 million. Therefore, the so-called efficiency dividend announced last year just on the police budget for 2014–15 has blown out from \$33 million to \$49.5 million. That is nearly \$50 million worth of efficiency dividend that puts a lie to just about the whole police budget. In 2015–16 that same figure comes to \$63.1 million when the global savings target is added in. And guess what? The efficiency dividends announced last year actually go on for a further year because this year I found out that in 2016–17 the efficiency dividend will be \$68 million plus \$3.5 million, which comes to \$71.5 million to be raked out of the police budget.

That is not acceptable. This is not a transparent or accountable way of doing business. I have a bit of experience and I also have some contacts in the police service, so I know what is happening there. If I did not, and if I were a new member of Parliament who did not know up from down, I would say, "I am not allowed to know that, am I, minister?" I do know that. There are hundreds of millions of dollars being cut out of the police budget for which the government is not accountable.

**Dr A.D. Buti:** Mr Acting Speaker —

**Mr J.M. Francis:** Mr Acting Speaker —

**The ACTING SPEAKER:** Member for Jandakot.

Several members interjected.

*Point of Order*

**Mr T.R. BUSWELL:** I clearly noticed that the Acting Speaker gave the call to the member for Jandakot. I refer to the standing order relating to disputing the ruling of the Chair. That sort of response is inappropriate. The member for Jandakot clearly has the call.

**The ACTING SPEAKER (Mr I.C. Blayney):** Member for Jandakot.

*Debate Resumed*

**MR J.M. FRANCIS (Jandakot — Minister for Emergency Services)** [11.57 am]: I will only be a couple of minutes, member for Armadale. I want to make a couple of very quick points. I place on the record my acknowledgement of the role Madam Deputy Speaker played throughout the estimates committee, and also the other chairmen. Having been an Acting Speaker in the last term of Parliament, through four years of estimates committees, I think the contribution that the chairmen make to the whole process should be acknowledged. The role takes a significant amount of the week of those who are on the roster. I also acknowledge the contribution made by the member for Forrestfield, who had never been in the chair before. He was put in the deep end to fulfil that role. I am not quite sure what happened there, but I acknowledge his contribution and his professionalism in that role.

I make another very quick point, more for the benefit of members on my side. If they want to know why the party of the people opposite got only 29 per cent of the vote on the weekend, we just have to look at the contradictions we see day in, day out from the Labor Party. I have just heard the member for Warnbro —

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*Point of Order*

**Dr A.D. BUTI:** What relevance does the election result have to Estimates Committee A?

**The ACTING SPEAKER:** Minister, we are talking about estimates and I would like you to finish up.

*Debate Resumed*

**Mr J.M. FRANCIS:** Absolutely. I am talking about estimates and comments made by two previous speakers from the Labor Party about estimates. We just heard the member for Warnbro criticise the government because its members got too many questions, and then we heard the member for Midland criticise the government because a government member did not have enough questions. If we are to hear a contradiction from the Labor Party any time today, I am guessing we have just heard it. The Labor Party cannot have it both ways. We cannot have one Labor member say that government members got too many questions, and the next Labor member say that government members did not get enough questions. Were it not for the generosity of a Labor Party member of Parliament, he would not have got any questions! Come on—get the story straight! Be consistent, and then members opposite might get some credibility with the people of Western Australia.

**DR A.D. BUTI (Armadale)** [12 noon]: As usual, that was a pathetic performance by the Minister for Corrective Services, who likes to gloat that he is a personal friend of the Prime Minister-elect. Maybe he should be concerned about his own portfolio!

I want to raise a matter relating to a supplementary answer I received involving the Law Reform Commission of Western Australia. The budget papers show us that the Law Reform Commission is now being meshed into the Department of the Attorney General. I believe the Premier was asked about this by someone on radio. The Premier really did not have much knowledge of the issue. In the supplementary information that I received from the Attorney General, he mentions that the Law Reform Commission now being within the Department of the Attorney General is no different from the situation in the Northern Territory or in South Australia. In the Northern Territory, it has never been a statutory authority; in South Australia, it runs out of the School of Law. It is not appropriate to compare us with the Northern Territory or South Australia. Although the issue does not of course resonate as a major media issue, it is a very important one.

The Law Reform Commission of Western Australia serves a very important function. It is an independent statutory body that undertakes research and provides recommendations on various terms of reference that are given to it by governments. Its magic, or its strength, is its independence. It is a statutory body. The Attorney General has now brought the Law Reform Commission within the structure of the Department of the Attorney General. He may say that it is still an independent statutory body and that the commissioners are independent, which may be so, but the staff of the commission, and any additional staff—that is, research officers, who do the bulk of the work in preparing reports—now come within the employment structure of the Attorney General's department. Therefore, the Attorney General's department now has complete power to appoint whom it thinks it should appoint to positions such as research officer positions. The government, through the Department of the Attorney General, now has complete sway as to who is employed to write its reports, which the commissioners basically sign off on eventually. The independence of the Law Reform Commission of Western Australia is put into question.

I have with me a letter dated 3 September from the Aboriginal Legal Service of Western Australia to Hon Michael Mischin. It is important to read this letter. It goes to the point of the danger and the consequences of this move by the government. The letter states —

Dear Attorney General

I am writing to express my concern with the decision taken in the 2014–15 State Budget to transfer the administrative functions of the Law Reform Commission ... to the Department of the Attorney General. The Aboriginal Legal Service ... believes that the transfer of these functions will significantly undermine the independence of the Commission and, ultimately, the quality and credibility of its work.

The success of the Commission over the past 40 years has rested on its independence from government—both real and perceived. The Commission has built an exceptional reputation as a staunchly independent and evidence-driven organisation, underpinned by its status as an independent statutory body. This reputation allows the Commission to engage credibly with the community and diverse stakeholders about contentious issues, and propose controversial law reform recommendations if the evidence calls for it.

While ALSWA has sometimes disagreed with the Commission's recommendations over the years, we have never had cause to question its independence. However, an apprehension of partiality will

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inherently attend any review of the efficacy of justice-related legislation undertaken by the very government department responsible for its development and administration.

Quite simply, this decision will create the real risk that analysis of important law reform issues will become confused in its objects. Public confidence in law reform proposals in Western Australia is likely to be eroded accordingly.

The decision to subsume the functions of the Commission represents bad policy and bad public administration. The ALSWA calls on the State Government to review it immediately, in consultation with stakeholders and the community.

That letter from the acting chief executive officer of the Aboriginal Legal Service of Western Australia resonates with a letter sent to the Attorney General by the former chair of the Law Reform Commission of Western Australia, Professor Mary Anne Kenny from Curtin University. This decision by the Attorney General to bring the administrative functions of the Law Reform Commission into the Department of the Attorney General will undermine the independence, effect and efficiency of the Attorney General's department.

There is one other thing, because I have only a minute left. It is mentioned in the supplementary information that two previous reviews, undertaken in 1995 and 2002, resulted in decisions that the Law Reform Commission of WA remain as a statutory authority and not be incorporated into a department. But what does the Attorney General do? He incorporates it into a department, which goes completely against the previous reviews of 1995 and 2002. I have not found one third party with an interest in law reform who has supported this move to bring the Law Reform Commission into the Attorney General's department, which has basically minimal budgetary savings.

Question put and passed.

*Estimates Committee B Report — Adoption*

**THE ACTING SPEAKER (Ms L.L. Baker):** The question is —

That the report of Estimates Committee B be adopted.

**MR B.S. WYATT (Victoria Park)** [12.06 pm]: I rise to speak to the motion that the report of Assembly Estimates Committee B be adopted. Assembly Estimates Committee B dealt with Treasury; and I know some members want to speak about the Transport component. This has been reflected by some comments made by members on this side and—indeed, it is not new—comments made by Liberal Party members. I cannot confirm for sure, but I have no doubt that when National Party members sat on this side of the house, they spoke about the appropriateness of government members asking questions during estimates. I will not labour the point because oppositions always seem to say it and the government always seems to ignore it. Maybe the time has come to address the appropriateness of government members asking questions during estimates hearings, bearing in mind that the very first question asked by a government member during the Treasury estimates hearing was in and around the issue of iron ore and royalty redistribution—an area that had been well canvassed—simply to allow a political point to be made, which of course defeats the purpose of estimates.

The first cab off the rank in Estimates Committee B on 21 August 2013 was the Western Australian Treasury Corporation. We had quite a useful and interesting exchange with Mr Collins, the chief executive officer of the Treasury Corporation. His knowledge is indeed deep about the bonds that are on issue by Western Australia. He made the point that the market has already factored in a downgrade for 10-year bonds. There is a perception in the marketplace that at some point—I guess in the medium term—Western Australia will indeed have a credit rating downgrade. We had a discussion. I quote Mr Collins —

In our particular case —

He had just been referring to Queensland bonds —

if we look at 12 months ago, we were trading at very similar rates to Victoria, which is also AAA-rated and was on stable ratings. Out to about the 2017 maturity we are still fairly close to Victoria, but at the 10-year part of the curve our spread has widened relative to Victoria by about 12 to 15 basis points.

I then asked, “Is that because of perception?” and Mr Collins responded, “Yes.” I then asked, “Is there a view that the AAA rating will be lost in WA?” Mr Collins responded, after the Treasurer deferred to him —

Negative outlooks were issued in 2012, first by Standard and Poor's, which, on 24 October, surprisingly put us on negative outlook. At the end of August it had reaffirmed us as stable, so the market was a bit surprised six weeks later that we were put on negative outlook. Then, of course, Moody's followed in December and put us on negative outlook. For those reasons, that is naturally going to change the perception of market participants, because it is sort of a warning sign.

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Mr Collins made the point that that is indeed a warning sign. For the long-term 10-year bonds, we are paying a premium for the market's perception that WA will lose its AAA credit rating at some point.

**Mr T.R. Buswell:** I think we had a discussion about that premium being a third of the way to where —

**Mr B.S. WYATT:** Yes, I am coming to that, too. The conversation continued. I asked —

What percentage of state debt is held in 10-year bonds?

Mr Collins said —

At this stage we have about \$1.2 billion outstanding of our 10-year bonds.

I then asked, "Out of the total current as at 2012–13?" Mr Collins responded —

As at 2012–13 we had \$1.2 billion, and we had approximately \$22 billion in bonds outstanding.

The Treasurer made the point —

... there is another driver in and around a move to longer term bonds; ...

There was commentary from rating agencies during the global financial crisis that Western Australia held too much —

**Mr T.R. Buswell:** It was last year. Some of the commentary was from last year.

**Mr B.S. WYATT:** Was it last year? There was commentary last year that the state was too exposed at the shorter end of the market. Mr Tim Marney made the point —

Historically, our split between short term and long-term bond issues has been 50 per cent short term, so less than 12 months, and 50 per cent longer term.

It is important to note that the definition of "long term" is anything longer than 12 months. I would not have thought that that would be considered a long-term bond, but that is how Treasury Corp has —

**Mr T.R. Buswell:** Finance markets.

**Mr B.S. WYATT:** I am not surprised that finance markets consider 12 months to be longer term. Tim Marney made the point —

The rating agencies became quite concerned post-GFC, in an environment that had considerable risk in terms of refinancing and the availability of finance, that our portfolio was too short. That caused us two risks relative to other jurisdictions. The first was the ability to refinance short-term debt.

...

The second was the repricing risk for our floating rate debt; basically, the concern was that with the pricing risk being short, we were very sensitively exposed to any movements in interest rates.

Which makes sense, of course —

It was a deliberate strategy at the time, however, given that interest rates were historically quite low. In an environment where it is difficult to see interest rates going too much lower—given that there is not much left—it would be prudent to respond to their concerns but also to the market, and shift that balance of short-long. We have taken a decision to go to 30 per cent short, 70 per cent long by December 2014.

I assume that that would be quite a shift over the next 18 months. There was a considerable amount of debt. Bear in mind we are about 50–50 now and by the end of next year we will move 20 per cent of our debt out of short and into longer term debt.

**Mr T.R. Buswell:** Can I make a point? You move it as it matures.

**Mr B.S. WYATT:** I assume it will mature and therefore be reissued as longer term debts, but that is still a significant shift. We will move 20 per cent of the state debt from short term to long term, for which we are paying a premium. Mr Collins made the point that because of those market perceptions, we are paying a premium. Moving more of that debt into longer term may cause that spread to narrow as more of our debt goes into that 10-year range. Mr Marney also made the point that he will look to put some of that debt into 15-year bonds and not only 10-year bonds. It was quite an interesting discussion about how the market considers state debt.

There has been a lot of discussion on debt. I made this point in my reply to the budget speech: despite the Treasurer saying during the election campaign that his aim is to stabilise net debt in the government's second term and that any extra revenue generated will go into paying down that debt, clearly a decision has been made

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to move away from that. That is why we see an upward trajectory of state debt in not only the forward estimates, but also the 10-year long-term projections provided by Treasury. I make the point that the market is factoring in some form of downgrade in our debt in the medium term. That is my definition of “medium term” as opposed to the market’s or the Treasurer’s.

**Mr T.R. Buswell:** I think we also had a discussion about the fact that the premium at the 10-year bond end was about one-third of Queensland’s.

**Mr B.S. WYATT:** Queensland has had the downgrade.

**Mr T.R. Buswell:** Which represents the factual implication of the negative watch, which is that there is a one in three chance that we will be downgraded. It is sort of logical.

**Mr B.S. WYATT:** The point I am making is that we are already paying for that. We do not have to have a downgrade to pay more for debt.

**Mr T.R. Buswell:** Of course. But if I said to you that there is a one in three chance that you will get downgraded, you would reasonably expect the market to factor it into your cost.

**Mr B.S. WYATT:** That is true; I would expect that.

**Ms R. Saffioti** interjected.

**Mr B.S. WYATT:** Correct. It had not come up in discussion in Parliament before I —

**Mr T.R. Buswell:** The financial market, in particular, processes information pretty quickly.

**Ms R. Saffioti:** You could have let us know.

**Mr B.S. WYATT:** Yes, particularly when a decision had been made, Treasurer, as Mr Marney pointed out, to shift our debt from a 50–50 short-term and long-term mix to a 30–70 short-term and long-term mix by December 2014. Bearing in mind that as at 2012–13, approximately \$22 billion in bonds were outstanding, by the end of next year more bonds will be outstanding, so that is a significant shift of money from the short to the long term.

**Mr T.R. Buswell:** For me, the highlight of that committee was when I was about to tell you some of them.

**Mr B.S. WYATT:** I know. The Treasurer was about to tell us that the central bank of Kazakhstan was a huge investor in Western Australian bonds.

**Mr T.R. Buswell:** No, it was not that one.

**Mr B.S. WYATT:** I hope it was not the central bank of Kazakhstan.

**Mr T.R. Buswell:** What does it matter?

**Mr B.S. WYATT:** The Treasurer is right. It does not matter who is buying our bonds; reflecting on who is willing to buy our bonds is perhaps the only issue I have.

**Mr T.R. Buswell:** They are all oversubscribed so far.

**Mr B.S. WYATT:** I have no doubt they are oversubscribed, particularly at the 10-year level when they will have a greater interest rate than they will have at the short-term level —

**Mr T.R. Buswell:** It is less than Queensland.

**Mr B.S. WYATT:** By the way, for the record, I do not know whether it was Kazakhstan. I do not mean to denigrate Kazakhstan, but certainly the Treasurer was one word away from —

**Mr T.R. Buswell:** I would not even speculate. As I felt Mr Collins’ hands wrap around my throat, I thought I had better stop!

**Mr B.S. WYATT:** He was not particularly subtle. It is worth repeating. He certainly let the Treasurer know that he was not being as discreet as he should be as the Treasurer of the state. I asked the Treasurer some questions on the full-time equivalent position numbers in the Treasury because I was curious about whether we had delivered the savings that were announced by former Treasurer Christian Porter in the 2012–13 budget. Some members will recall that in a media statement dated 17 April 2012 headed “GST slash calls for strong decisions”, the then Treasurer outlined a number of savings that he had implemented that would apply across the next two years. In particular he outlined, and I quote from that media statement —

- ... a two-year freeze on the growth in the number of public sector workers to further control public sector salaries expenses—except frontline services in police, education and health. This measure will require all departments to operate for the next two financial years inside their FTE cap as it was set in 2011–12. These savings will not impact on frontline service delivery outcomes

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Importantly, the former Treasurer stated that these savings would form part of the 2012–13 state budget. The assumed savings, therefore, according to this announcement, were already booked into the 2012–13 budget and the 2013–14 out year. I asked Mr Porter about that during the estimates committee hearing last year, which again was Estimates Committee B coincidentally, and Mr Porter said that it was correct that the full-time equivalent cap—whatever it was in 2011–12—would be frozen. Because he had excluded police, education and health, that meant a cap of 37 763 FTEs in the public sector. I asked what that meant for Treasury and was told that in the 2012–13 budget it meant a cap of 282 people. Therefore, for Treasury the frozen cap was 282 FTEs. Interestingly, during our discussion in the estimates committee hearing this year, Treasury was already at 297. The point I am making is that, while using Treasury as an example, savings that were embedded in Christian Porter’s budget in 2012–13 were not met.

**Mr T.R. Buswell:** Well —

**Mr B.S. WYATT:** Treasurer, just let me finish, as I have some answers to questions on notice with me to work all this out. If that is not indeed the case, the Treasurer can certainly let me know. Unless right now the FTE is 37 763 or fewer, those savings were not met despite them being embedded in the 2012–13 budget.

The reason I say this is that a flurry of savings announcements have been made by the government under various Treasurers. I have always had doubt about whether those savings have ultimately been met. They embed them in the budget to make the budget look better than it otherwise would, yet when we go back and look at delivery, we find it is not the case. I have made the point about the Treasurer’s previous wages policy that stated that if people could prove productivity offsets, they could negotiate up to the level of the consumer price index.

We had some discussions with the Treasurer on the nurses’ enterprise bargaining agreement, which members may recall was effectively entered into during the election campaign. I quote what the Treasurer said in Estimates Committee B —

My understanding is that the Liberal Party, as part of our suite of policies, went into the election campaign with a policy to fund a certain wages outcome with nurses.

Actually, Peter Conran, director general of the Department of the Premier and Cabinet—not the Liberal Party—put that offer to the nurses. Even though Mr Conran and the Liberal Party are closely associated, it was not the Liberal Party but Mr Conran who entered into that agreement. The nurses accepted that. Does that mean they could have a cause of action or claim against the Liberal Party or the government of WA? It would be against the government of WA. So the nurses entered into that agreement that clearly provided a much more significant outcome than they would have otherwise been entitled to under the previous wages policy. There were no productivity offsets, as was confirmed by the Minister for Health in Estimates Committee A. They therefore should have been entitled to only a CPI rise under that wages policy, which, from memory, was 8.25 per cent. Instead, they ended up with 14 per cent.

This is the issue. I asked the Treasurer about the role Treasury played in making and costing that offer and putting it to the nurses’ union, the Australian Nursing Federation. No role was played. I remember asking the adviser at the back left of where the Treasurer was sitting in the chamber whether Treasury had any role. The answer from the adviser was that it played no role at all. This is the problem with the key policy for spending control that was simply ignored. The Treasurer made the point that the Nursing Federation representatives behaved terribly.

**Mr T.R. Buswell:** They did.

**Mr B.S. WYATT:** He said that they were just awful during the election campaign.

**Mr T.R. Buswell:** They were terrible.

**Mr B.S. WYATT:** What did the government do with its big, brave wages policy designed to keep pay rises to the level of CPI? It threw money at it. That is what the government did. It did not worry about the wages policy. Mr Conran certainly did not worry about the wages policy. The Treasury advisers had no idea about it. I think the Treasury advisers worked out what had happened when they read it in the newspaper.

[Member’s time extended.]

**Mr B.S. WYATT:** All these new rules!

**Ms R. Saffioti:** Since 1901!

**Mr B.S. WYATT:** This is the new, fandangled way we run this Parliament!

The point I am making is that Treasury was not involved in the nurses’ EBA. The Under Treasurer, Tim Marney, had no idea about it.

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The highlight for me during the election campaign—there were many—was when Hon Ken Travers and I had the pleasure of a briefing from the Department of the Premier and Cabinet. Peter Conran, on behalf of the Liberal Party or the government, had made a significant multimillion-dollar offer to the nurses. We therefore thought we would call DPC, as we were in caretaker mode, and get a briefing. A gentleman came to the opposition office across the road and we asked him, “How much is it going to cost?” He said, “I don’t know.” We asked, “What role did the wages policy play in Mr Conran making this offer?” He said, “I don’t know.” We asked, “What are the terms of the offer?” He said, “I don’t know.” It therefore became quickly apparent that Mr Conran had found himself somebody who had no idea about the policy to brief the opposition on that very policy. And so away he scuttled. However, the Treasurer stood in this place yesterday and talked about the fiscal plan, the FA plan —

**Mr T.R. Buswell:** FAP we call it.

**Mr B.S. WYATT:** — that was trumpeted in the budget and upon which that \$47 billion, 10-year debt figure is based. Straightaway, within hours of the FA plan —

**Ms R. Saffioti:** Sweet FA.

**Mr T.R. Buswell:** It’s not sweet, I can tell you that.

**Mr B.S. WYATT:** I know that some members opposite think it is a pretty sweet FA plan. We saw what happened with the solar panel decision when the Minister for Energy suddenly realised he should have got some legal advice on it. That program disappeared. The way the finances were being managed caused me no end of discomfort. Despite \$120 million having been booked into the revenue side of the budget for the plan to charge a school fee for 457 subclass visa students, we then heard the Premier say after the election, “We have yet to determine the criteria.” So, the government booked in the revenue and then worried and scratched its head about how it would determine who would and who would not be charged the \$4 000 fee. It is just extraordinary!

The Treasurer said yesterday that these things are small parts of the \$6 billion plus in savings embedded in the budget. The key component, I would have thought, is the new wages policy. The record of this government on its wages policy is not a good one. The government did not meet it in its first term of government. That is the reality. We all recall the FTE cap that became a moving beast; it kept moving up and up and up. The wages policy was not met. Good luck to the Australian Nursing Federation; it absolutely cleaned up on its deal. The government was so angry with the way in which the nurses behaved that it threw money at them. I am sure they have learnt their lesson to not do that again! I am sure unions across the state have learnt their lesson; never challenge a Liberal government for a better EBA deal during an election campaign because it will throw more money at them! They will never do that again; they have learnt their lesson there!

**Mr T.R. Buswell:** Ask the train drivers.

**Mr B.S. WYATT:** This is the interesting thing. I referred earlier to that new word the Premier has found since the federal election—mandate. The test of the government is how hard it is going to be in the first year and how hard it will be in the final year. The final year leaves a lot to be desired. That final 12 months leading up to 9 March 2013 was fairly ordinary. We saw that just this week with the Insurance Commission of Western Australia and the treatment by the government of that revenue, despite not disclosing that decision. Now, of course, the repercussions of the EBA deal with the nurses will be felt. The Treasurer made the point in the estimates committee that —

That particular EBA, though, is still in arbitration around a range of conditions, and that is still being worked through. There is actually a risk that the arbitrated settlement of the dispute around some of those conditions may further inflate the totality of that wages outcome, so that is something that is still being worked on.

It still may cost us more! There is further pressure. That is why the fiscal action plan, built around a sudden strengthening of the spine on wages outcomes, simply cannot be believed. The performance over the nurses highlights that. The entitlement was CPI with no offsets. Not only were there no offsets, but also it looks as though the conditions will require taxpayers to fork out more money. That is the reality. Much has been said about this fiscal action plan. No doubt when the Treasurer flew across to Sydney and spoke at length to the credit rating agencies he said, “We will honour this fiscal action plan. That is why you can trust us to keep our AAA credit rating.” No doubt they will be watching with some interest.

I will conclude by making some comments around the 457 visa policy. There has been some commentary from members on both sides of Parliament—National Party members in particular—and people outside the Parliament around this view that every 457 visa holder is making a huge amount of money. The idea is that because they are making a huge amount of money, the government can hit them up. The member for West Swan made some comments about this. Just before I got to my feet I got a supplementary answer to a question I asked in Legislative Assembly Estimates Committee B. I asked the minister representing the Minister for Education

**Extract from Hansard**

[ASSEMBLY — Thursday, 12 September 2013]

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Ms Wendy Duncan; Deputy Speaker; Mr Roger Cook; Mr Paul Papalia; Mrs Michelle Roberts; Mr Joe Francis;  
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whether he could provide me with the percentage of students in each school in WA who are kids of 457 visa holders. It did not strike me as right that all those kids were tucked away in our state's best suburbs. The supplementary answer proves the point. It highlights that some schools located in high socioeconomic areas do have higher percentages of students whose parents are on 457 visas. The highest percentage, at 17.35 per cent, is Highgate Primary School. I went through and had a quick look at all the schools for which the percentage of kids of 457 visa holders in the school population was above five per cent. Those schools include Applecross and Attadale, not surprisingly. Avonvale Primary School in the wheatbelt has a high number at 6.4 per cent. At Balcatta Primary School, 7.5 per cent of students are from 457 visa families. The figure for Beaconsfield Primary School is nearly 10 per cent. The figure for Beaumaris Primary School is 11.4 per cent; Belmont City College, 8.6 per cent; Belmont Primary School, 6.3 per cent; Brentwood Primary School, 5.17 per cent; Bunbury Primary School, 5.25 per cent; Caladenia Primary School and Cannington Community College have just over five per cent; Carey Park Primary School has nearly 10 per cent; Carlisle Primary School, which is just outside my electorate but services my electorate, has six per cent; Caversham Primary School has a high number; Cloverdale, Comet Bay and Connolly are in that list; and Cunderdin District High School has 13.3 per cent, which is an incredibly high percentage of students whose parents are 457 visa holders. I do not imagine the people in that area are making \$150 000 a year. Curtin Primary School, just outside my electorate in Karawara, has 7.3 per cent and Dalwallinu District High School has six per cent. I could go through them all but I will not. East Victoria Park and Victoria Park in my electorate both have a high percentage of students whose parents are 457 visa holders.

**Mr M.P. Murray:** One figure you will not see in there is that for refugee children, who are not allowed to go to the schools, which I think is disgraceful.

**Mr B.S. WYATT:** That is right; they have to go to non-government schools.

**Mr C.D. Hatton:** What is the point, member?

**Mr B.S. WYATT:** The point I am making is that the assumption, stated by the Premier on radio, is that 457 visa holders are making —

**Ms R. Saffioti:** Minister Day repeated it today.

**Mr B.S. WYATT:** Minister Day repeated it today. The assumption is that people on 457 visas have large incomes; therefore, they can easily contribute \$4 000 a year to the education of their children. The reality is different. That is what that supplementary answer proves. That is why I made the point. Balcatta Primary School, which I assume is in the member for Balcatta's electorate —

**Mr C.D. Hatton:** I just looked at the stats on that.

**Mr B.S. WYATT:** The reality is different from what Minister Day and the Premier have been saying. That is why there has been so much focus on how the government could drop that into the budget without any consultation or any significant notice and just assume, when making the public argument for this, that all those people are making a fortune.

**MS R. SAFFIOTI (West Swan)** [12.36 pm]: I will make some comments on the appropriation bills and the estimates committees, but I will first conclude the comments of the member for Victoria Park on the 457 visa issue. One reason this very stupid and rash decision was made was because of the budgetary situation the government is in. It has mismanaged the state's finances. There have been a number of ill-thought-out decisions in this budget, and this is one of them. We will see a winding back of this decision because it is not sustainable in the community. Again, it goes to the integrity of the budget, which is something we explored during the estimates committees. The \$120 million written into this budget was costed on the fact that 457 visa holders would be paying \$4 000 for each of their children to go to school. It is clear that the government is going to redefine the criteria, because it is just not sustainable. This again goes to the integrity of this budget, which has unwound bit by bit since it was introduced into this house about six weeks ago.

In relation to the estimates committee process, I thank those members who chaired the proceedings. I acknowledge the member for Forrestfield; I thought he did pretty well for his first time. I also acknowledge those members from our side of the chamber who were in the chair and who also did well. Some Chairs looked at me as if I had no right to ask a question—they gave me the evil eye, or the malocchio as my mother would say in Calabrian. I found some of the Chairs quite off-putting when I asked some legitimate questions—they looked at me as if I were from another planet or should not be asking questions. Basically, the role of the estimates committee is for the opposition to ask detailed questions about what is in the budget and the integrity of the budget. I think the member for Swan Hills understands what I mean by malocchio.

**Mr C.D. Hatton:** Pure Calabrese.

**Ms R. SAFFIOTI:** It is pure Calabrese.

**Mr F.A. Alban:** Southern Italian, not northern Italian.

**Ms R. SAFFIOTI:** Yes. I will go through some of the key facts. One of the key things I want to focus on today is the transport discussion and in particular the funding of key road and rail projects in this budget. We have seen the unwinding of many of the assumptions and figures in the budget. We have seen the policy reversal on the solar feed-in tariff, which has wiped tens of millions of dollars out of the budget. We will see the unwinding of the 457 visa issue, because it is an unsustainable, stupid and ill-thought-out decision. It must have been made very late in the piece to try to fix the budget and without really understanding or realising the consequences. I think the decision was made because 457 visa holders cannot vote, so they were an easy target. As we have seen this morning from the Leader of the Opposition, by way of example, and in the list just read out by the member for Victoria Park, there are many people on 457 visas who are not earning \$150 000 or \$200 000 but who are providing key and essential services to either regional WA or the WA community as a whole. Those people are not on big bucks but they are paying state and commonwealth taxes and local government rates; they deserve the same rights in education as everyone else.

We explored through the committee process one key issue with road and rail projects; namely, what funding from the federal government was embedded in the forward estimates for key projects? As we understand and know, the federal Labor government allocated \$500 million for rail projects in Western Australia. Two key projects that this government wants to undertake, the Metro Area Express light rail and the Perth airport line, were notionally put aside. That money is gone. The Treasurer should come into this place in the next number of weeks and explain what the government intends to do about managing the budget on those key issues because that money has simply disappeared.

**Mr D.J. Kelly:** He's going to beg Tony Abbott for the money.

**Mr T.R. Buswell:** I will certainly seek some clarification.

**Ms R. SAFFIOTI:** When the Prime Minister-elect says that public transport is not his "knitting" and that the federal government will not fund any urban rail projects throughout Australia, and when the federal government's costing document released on the Thursday before the election explicitly states that the money has been taken away from WA, I look forward to the Treasurer's discussion. I think the Treasurer made it clear to everybody that that money is gone—\$500 million is gone.

**Mr T.R. Buswell:** I understand that.

**Mr D.J. Kelly:** Where was the press release criticising them for that before the election?

**Mr T.R. Buswell:** I had a conversation.

**Ms R. SAFFIOTI:** A conversation! I remember that when Tony Abbott initially said they were not going to fund rail projects, the Treasurer said that it did not matter because we will get more money for road projects. That has not happened either.

**Mr T.R. Buswell:** We got some money.

**Ms R. SAFFIOTI:** Some—but embedded in the forward estimates are the two key regional projects of the North West Coastal Highway and the Great Northern Highway Muchea to Wubin. As was discussed through the estimates—we did get numbers and these are the Treasurer's comments—the total commonwealth funding contribution for the \$385 million Great Northern Highway Muchea to Wubin project is \$308 million.

**Mr T.R. Buswell:** Correct.

**Ms R. SAFFIOTI:** There is an 80 per cent to 20 per cent split. The commonwealth contribution by financial year is zero in 2013–14; \$24 million in 2014–15; \$64 million in 2015–16; and \$172 million in 2017–18. That is a significant contribution currently included in the Treasurer's numbers that has now been taken away.

**Mr T.R. Buswell:** As I said previously, I will be seeking clarification from the commonwealth once the relevant minister is appointed. If they have taken that money away —

**Ms R. SAFFIOTI:** Did the Treasurer try to seek clarification before election day?

**Mr D.J. Kelly:** What is the Treasurer going to do?

**Mr T.R. Buswell:** I am not going to say "thank you"!

**Ms R. SAFFIOTI:** I ask again: did the Treasurer seek clarification before the federal election day?

**Mr T.R. Buswell:** I attempted to, but there was a fair bit going on.

**Extract from Hansard**

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**Ms R. SAFFIOTI:** Okay. I ask because the deputy Liberal leader confirmed on Friday—it was reported in Saturday’s paper—that those two road projects are not funded as they were part of the regional investment fund under the NB2 —

**Mr T.R. Buswell:** You’re right about the North West Coastal Highway.

**Ms R. SAFFIOTI:** They both are. There is a document on the Infrastructure Australia website that shows that those two projects are part of the regional investment fund.

**Mr T.R. Buswell:** I am not sure that that is consistent with the advice I received—I will check—from then Minister Albanese. I will find out. It is a big issue. If they are not going to fund those —

**Ms R. SAFFIOTI:** It is a huge issue.

**Mr T.R. Buswell:** It is a huge issue for regional WA.

**Ms R. SAFFIOTI:** That is why I raised this in the estimates hearings. I had hoped that the Treasurer sought confirmation on those issues before the federal election. Does the Treasurer think the federal government is going to care now? This is a classic example of those opposite rubbishing the former federal Labor government year after year after year about the goods and services tax distribution, and in the first three days after being elected the commonwealth Liberal government has ripped \$1 billion from the state. This is not from possible road projects or a notional figure; it is \$1 billion of funding that is in the Treasurer’s state budget he brought down. That is very significant. We talk about issues about ratings agencies and the unwinding of revenue, but now there is a \$1 billion hole in the government’s funding.

**Mr T.R. Buswell:** We need to seek clarification. But I can tell you this: if the commonwealth steps away from those two road projects, it is highly unlikely that that money will be spent. That is not necessarily a hole because the projects will cease. That’s a big problem.

**Ms R. SAFFIOTI:** There will be less road funding for Western Australia? With the election of a federal Liberal government the Treasurer has secured less road spending in Western Australia. We make that clear right now. The Treasurer should have sought confirmation before federal election day. I raised it in this chamber. The Treasurer was busy talking about GST distribution and \$1 billion has been ripped out. We all said it and we all knew it.

**Mr D.J. Kelly:** They were too busy ordering the champagne.

**Ms R. SAFFIOTI:** Exactly, member. I knew what they were doing, and I am in opposition! The Treasurer must have known. I knew money had been ripped out of the rail projects; that was clear. I also knew that the federal government was not going to give the Treasurer more money for road projects to make up the amount because it was making billions upon billions of dollars of commitments in the eastern states. In every key speech Tony Abbott gave during the past three months, he mentioned a \$6 billion project here and another \$3 billion project there—they were huge. He never mentioned one project in Western Australia, until very late in the piece when he committed to the Swan Valley bypass and distributed some flyers locally about Tonkin Highway. Does the Treasurer have confirmation on the Tonkin Highway flyovers?

**Mr T.R. Buswell:** I believe so.

**Ms R. SAFFIOTI:** He believes so.

**Mr T.R. Buswell:** When the minister is appointed, we will write to him and seek clarification.

**Ms R. SAFFIOTI:** They have an election mandate. Did the Treasurer seek confirmation before the federal election day that those overpasses would be funded?

**Mr T.R. Buswell:** I will seek clarification and I am seeking clarification —

**Ms R. SAFFIOTI:** The answer is no. Those opposite were too busy rubbishing the federal Labor government, while Tony Abbott was taking hundreds of millions of dollars out here and there, and the Treasurer and Minister for Transport never sought confirmation.

**Mr T.R. Buswell:** Again —

**Ms R. SAFFIOTI:** No—again nothing! The Treasurer did not do his job because he did not seek secure funding. Now he has a budget that is unwinding by the day. We saw a policy reversal on the solar feed-in tariff subsidy and there will be a policy reversal on 457 visas because it is not sustainable and it is not fair. Everyone knows it. Now we have seen \$1 billion taken away —

**Mr T.R. Buswell:** That’s not true.

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**Ms R. SAFFIOTI:** The Treasurer cannot confirm otherwise in this place. We know, and the government's federal deputy Liberal leader said, that those two road projects were not funded.

**Mr T.R. Buswell:** We will see.

**Mr D.J. Kelly:** The Treasurer will stamp his feet.

**Mr T.R. Buswell:** And I will shake my fists.

**Ms R. SAFFIOTI:** The Treasurer should have sought confirmation before federal election day.

We also tried through the estimate process to see what activity was happening in ministerial offices before the state election day. What sort of work was being done on costing our commitments and their commitments. It was only through a freedom of information request that we saw the activity being undertaken in the Treasurer's office before the calling of the state election. Up until 5 February, the Treasurer was committed to the bus rapid transit lane to Ellenbrook. The Treasurer had signs printed and wanted to wrap a bus in special plastic to make it look like a special BRT bus. Just like the hydrogen buses.

The minister ordered buses to be wrapped up just so they looked like special buses. He spent taxpayers' money doing animations for a project, and he got the Department of Transport to do this work.

Debate interrupted, pursuant to standing orders.

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