

**APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2007–08  
AND 2008–09 (SUPPLEMENTARY) BILL 2009**

*Consideration in Detail*

**Clause 1: Short title —**

**Mr M. McGOWAN:** Are we dealing with each bill separately?

**The ACTING SPEAKER (Ms L.L. Baker):** We are dealing with the Appropriation (Consolidated Account) Recurrent 2007–08 and 2008–09 (Supplementary) Bill 2009.

**Mr M. McGOWAN:** If we are dealing with just one bill at a time, would we not deal with the Appropriation (Consolidated Account) Capital 2007–08 and 2008–09 (Supplementary) Bill 2009?

**Mr T.R. BUSWELL:** For clarification, I understand that there are two bills. One is for recurrent expenditure and the other is for capital expenditure. Both bills span two years—that is, the 2007–08 and 2008–09 recurrent expenditure and the 2007–08 and 2008–09 capital expenditure. My understanding—correct me if I am wrong—is that we are dealing with the recurrent expenditure.

**The ACTING SPEAKER:** That is correct, Treasurer.

**Mr W.J. JOHNSTON:** I seek some clarification because it was not clear from the minister’s second reading speech why 2007–08 and 2008–09 are included in the one bill.

**Mr T.R. BUSWELL:** I was advised that that is how it had to be done to get the legislation into Parliament. The incoming government had to juggle its various priorities. Nothing can stop us from dealing with them at the same time, although usually they would be dealt with separately. The timing was complicated by the election and the impact that that had on compressing the legislative time frame.

**Clause put and passed.**

**Clause 2 put and passed.**

**Clause 3: Appropriation for recurrent services and purposes —**

**Ms R. SAFFIOTI:** My question relates to the schedule of expenditure that is contained in this bill. When we discussed the Treasurer’s Advance Authorisation Bill 2009 in this place, details were provided about the anticipated expenditure under each portfolio. Has a similar table been prepared for this debate? That would assist us all to go through the expenditure. Could that table be provided as part of this debate? Currently, we can see the aggregate expenditure per portfolio and per agency but we would like a breakdown of the causes of expenditure per agency.

**Mr T.R. BUSWELL:** I appreciate the question. I have eight copies of that detail and I am happy to provide them. I will also provide this detail ahead of the Treasurer’s Advance Authorisation bill, which I am sure the member is looking forward to debating with us on Thursday. The document on the bills before us will be circulated to members of the opposition who are interested in it.

**Ms R. SAFFIOTI:** Can I ask about the expenditure under “Premier and Cabinet”, which is \$8.6 million for the financial year ended 30 June 2009? Does that figure include payments for redundancies; if so, how many redundancies; and, if the information is available, can the Treasurer give a breakdown of the redundancies paid for under that item?

**Mr T.R. Buswell:** Is that to 30 June 2009?

**Ms R. SAFFIOTI:** Yes.

**The ACTING SPEAKER (Ms L.L. Baker):** Member, are you referring to the schedule?

**Ms R. SAFFIOTI:** Sorry; it is schedule 2.

**The ACTING SPEAKER:** I think we need to wait until we get to schedule 2 before the member can discuss it.

**Mr M. McGowan:** It’s all part of clause 3, isn’t it?

**Ms R. SAFFIOTI:** Clause 3 approves the aggregate expenditure; schedule 2 just breaks that down.

**Mr T.R. BUSWELL:** Just so I can be sure, we are looking at the financial year ended 30 June 2009 and the \$8.584 million under “Premier and Cabinet”. If the member reads the document that is being distributed, she will see that it contains the breakdown. As I read that document, none of that relates to redundancies or the termination of term-of-government staff or anything like that.

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I will run through it. It refers to the Sir Charles Court memorial statue, which is a magnificent project for the people of Western Australia. The Sir Charles Court monument will be suitably placed so that the people of Western Australia can pay due deference to that great leader.

**Mr P. Papalia:** That was something we did!

**Mr T.R. BUSWELL:** I know; it is good! It is a fantastic idea! I could talk about the Sir Charles Court statue for the next three hours. In fact, I may start off with that, but, in the spirit of cooperation, I will not.

Does the member have the chart now? Then I will not go through it all. The largest single item is funding for unanticipated election costs, and the detail shows that it relates to \$7.3 million for end-of-contract payments to ministerial and electorate officers. I do not think we need to go into that. It then outlines \$180 000 for the costs of engaging electorate staff for new members; \$220 000 for temporary accommodation for four new members of Parliament and so on and so forth. That is the main component, and I think the member for West Swan has the rest of the detail now. If the member wishes to ask me about specifics, I am happy to go through them.

The member for Albany is not in this place, but \$433 000 was allocated for the Anzac Peace Park in Albany. I was in Albany the other week; it is a great project.

**The ACTING SPEAKER (Ms L.L. Baker):** I mention again that when get to schedule 2, there will be an opportunity to go into its detail. Rather than repeat the detail, I assume the member will be asking questions about it only once—that is, during consideration of clause 3. Clause 3 refers to the details of the schedule, so we will get to the details of the schedule when I put the question about the schedule.

**Ms R. SAFFIOTI:** Okay. Can I follow up on a point that the Treasurer made?

**The ACTING SPEAKER:** You may, member for West Swan.

**Ms R. SAFFIOTI:** I go back to the redundancy question. I notice there is some provision listed in this document for senior executive service redeployees; I am not sure whether that is redundancies. Does the Treasurer have the Department of the Premier and Cabinet's information on how many redundancies came from DPC for 2008–09, and what the cost of those redundancies was, as part of the voluntary redundancy for the service?

**Mr T.R. BUSWELL:** That is a good point. I do not have that information. Off the top of my head, we budgeted, I think, \$48 million for that redundancy package, covering 500 staff. About 465 to 470 staff took the redundancy at about that total amount, but I do not have the breakdown by department. I am happy to provide it by way of additional information, or the member can ask a question on notice. I have all that data somewhere; it is just not in my mind at the moment. It is a fair call to ask for a breakdown by department. The first wave of that voluntary redundancy policy targeted 500 staff at a cost of \$50 million. Because the first one was so popular, we have the second wave. We had unmet demand, and heaven forbid that we would leave unmet demand in the public sector! Clearly, there are people who feel it is time to move on through a voluntary redundancy program. The first wave cost \$48 million and we dealt with 460 staff, maybe a bit over or under. In the second wave, we are targeting 300 staff at a cost of \$30 million. That was announced last week, and I am aware there is already some considerable activity in and around that. I will provide the member with a breakdown, if I can, of departmental take-up in that first wave.

**Mr P. PAPALIA:** My question relates to the documentation provided to members on the schedule. As I am running through it, I can see only the 2008–09 figure for Corrective Services. I am not sure that is the same for other areas, but it would appear that we do not have information on the previous year, and it is supposed to be provided at the one time.

**The ACTING SPEAKER (Ms L.L. Baker):** Is that a question about the schedule?

**Mr P. PAPALIA:** We need that documentation to consider the schedule in detail. This may mean that the documentation needs to be corrected.

**Mr T.R. BUSWELL:** I provided that documentation to assist members. I do not have to provide it. However, my documents show 2007–08.

**Mr P. Papalia:** I may not have all of that.

**Mr T.R. BUSWELL:** I handed over the opposition's packs for copying and distribution. I will get a copy of the pack to have a look, in case there are some issues we may be able to address.

**Mr P. Papalia:** Maybe I have one pack that does not include that part.

**Mr T.R. BUSWELL:** The one I have has 2007–08 stapled to the front and then 2008–09. I will swap with the member. I understand that Corrective Services received no supplementary funding in 2007–08.

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**Mr P. Papalia:** Not according to the information provided with the appropriation bill, so I was wondering.

**Mr T.R. BUSWELL:** My apologies, it is \$24.9 million.

**Mr P. Papalia:** Which is more than in 2008–09.

**Mr T.R. BUSWELL:** The member is right.

**The ACTING SPEAKER:** Member for Warnbro, we can discuss 2008–09 when we get to the schedule.

**Mr W.J. JOHNSTON:** In drawing the Treasurer's attention to the information sought by the member for West Swan and his commitment to provide supplementary information regarding the number of employees by portfolio or department who have taken up the redundancy package in 2008–09, can that information be provided by salary band?

**Mr T.R. Buswell:** Our redundancy package is in the 2009–10 financial year.

**Mr W.J. JOHNSTON:** That would be very welcome.

**Mr T.R. Buswell:** We did not have a redundancy package in 2008–09.

**Mr W.J. JOHNSTON:** Yes; the government did. That was its first year in government. It was for the year ended 30 June 2009. I am asking Treasurer if that information could be provided by salary band.

**Mr T.R. BUSWELL:** I will provide the information to the extent that I can deliver the breakdown. I do not want to hide that. People have left; there is nothing not to disclose. If we can do it by salary band, we will; if not, we will not. If we can do it by description of occupation, we will. I am happy to be open about that. The advice I have been provided is that around 74 per cent of people who took voluntary redundancy were in management or administrative-based positions, which I term as non–front line. It was an interesting take-up. I am happy to provide as much information to the member as I can about that voluntary severance program; it is an important part of what we are trying to do in government to slow the rate of growth of the public sector.

**Ms R. SAFFIOTI:** I think that the full set of notes has not been distributed to each person; for example, I have 2007–08 capital and 2008–09 recurrent and I think other people have the reverse. I am not sure whether we can ask the attendants to photocopy full copies of all four documents. I think it is just a matter of how they were distributed, Treasurer.

**Mr T.R. Buswell:** Fair point; I will let the member sort that out while I bumble on. We provided a copy of the data.

**Clause put and passed.**

Leave granted for schedules 1 and 2 to be considered together.

**Schedules 1 and 2 —**

**Mr J.C. KOBELKE:** Treasurer, I refer to page 3 of the Appropriation (Consolidated Account) Recurrent 2007–08 and 2008–09 (Supplementary) Bill 2009 relating to 2007–08. At the bottom of that page is the line item "Treasury and Finance — Matrix Fleet Leasing Liability" for \$14 million. I want to know whether that is a final and total payment for what was a bit of a debacle from the Court government era, the Matrix fleet leasing, which was a privatisation that failed terribly. Do we have any outstanding liabilities or commitments in tidying up that Matrix fleet deal? I think we are aware that the lawyer who did it for the government ended up in jail on drug charges.

**Mr T.R. BUSWELL:** I do not know about the lawyer's drug charge—heaven forbid! My advice is that the \$14 million amount the member can see appropriated in the bill is a payment to the Australian Taxation Office for the full and final settlement of tax matters relating to the termination of the Matrix fleet leasing transaction.

**Mr J.C. Kobelke:** I accept that that is full and final settlement of the tax matters. Are there any other outstanding issues?

**Mr T.R. BUSWELL:** That is all the information I have; I can only go on what have I before me.

**Mr J.C. Kobelke:** Is the Treasurer willing to provide supplementary information on whether there are any other outstanding matters?

**Mr T.R. BUSWELL:** How about the member asks me a question and I will provide him with an answer? That is the data I have. I do not know whether the lawyer is in jail on drug matters. I know that tomorrow the Auditor General is bringing down his report into Perth Arena, and I think that will be very interesting. I am looking forward to that and to discussing it with the house in a full and frank way, as I am sure the member knows I will.

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**Ms R. SAFFIOTI:** My question relates to recurrent expenditure for 2008–09 and royalties for regions. How much was the expenditure for royalties for regions in 2008–09? How much was anticipated under the recurrent heading?

**Mr T.R. Buswell:** Which schedule is the member talking about, please?

**Ms R. SAFFIOTI:** I am talking about 2008–09 recurrent.

**Mr T.R. Buswell:** Which item?

**Ms R. SAFFIOTI:** Royalties for regions is held in a number of places. I think some of it is held in Treasury and some is held under Regional Development.

**Mr T.R. Buswell:** If the member gives me a specific item, we will deal with it.

**Ms R. SAFFIOTI:** On page 10 —

**Mr T.R. Buswell:** The \$269 million.

**Ms R. SAFFIOTI:** It is the \$269 million. I am just looking at the initial information provided to the house last year when we were debating the Treasurer's Advance Authorisation Bill 2009, which asked for \$337 million for royalties for regions. I want to know the underspend in royalties for regions under the recurrent banner in 2008–09. How much was the final expenditure compared with how much was sought under the initial Treasurer's advance?

**Mr T.R. BUSWELL:** I can tell the member what this item of \$269 million relates to. In 2008–09 the Department of Treasury and Finance was allocated \$269.1 million for a new item that related to royalties for regions. The annual contribution for the royalties for regions program is set at 25 per cent of the annual royalty income projection. The original allocation of \$337 million—give or take—which I think the member may have referred to, was calculated at 25 per cent of the projection for royalty income contained in the 2008–09 *Pre-election Financial Projections Statement*, adjusted for the half-yearly operation program in 2008–09. The final allocation for 2008–09 was revised down to \$334 million, which is a reduction of \$3 million, reflecting lower than forecast royalty projections. That amount is shared between recurrent expenditure of \$261.1 million and capital of \$64.9 million. This is the global allocation of funding in the 2008–09 financial year for recurrent purposes for royalties for regions.

**Ms R. SAFFIOTI:** Was the only underspend in the Treasurer's notes \$3 million?

**Mr T.R. BUSWELL:** I am not referring to an underspend; I am referring to recasting of the royalties for regions amount from \$337 million down to \$334 million because of a change in estimated royalty collections between the *Pre-Election Financial Projections Statement*, adjusted for the half-yearly operation of the program. An underspend would not necessarily be picked up in this appropriation, which deals with matters to support the Treasurer's advance.

**Mr P. PAPALIA:** I refer to page 14 of the Treasurer's handout and to schedule 2 on page 11 and the Corrective Services allocation for 2008–09. With reference to the breakdown the Treasurer has kindly provided us with, of that \$18.964 million, I note in particular that the prison population operating costs are \$15.74 million. Looking back at the breakdown the Treasurer provided of schedule 1, I believe there was about a 50 per cent increase in operating costs. I am wondering whether he can tell me how the department calculated the amount of money it required. What was the breakdown of that increase, which is a significant increase in operating costs for the prison population, and how is that increase then linked to the increase in the prison population over that time?

**Mr T.R. BUSWELL:** Are we referring to the \$15.7 million?

**Mr P. Papalia:** Yes.

**Mr T.R. BUSWELL:** Which is for the financial year 2008–09.

**Mr P. Papalia:** As I understand it, for the previous year the same line item was about \$10 million.

**Mr T.R. BUSWELL:** In 2008–09 the Department of Corrective Services received an allocation of \$10.5 million to realign funding for the daily average population—DAP—for updated prisoner numbers from 3 700 to 3 900. I am assuming that that was part of the budget process. In addition, as Treasurer I endorsed supplementary funding of \$5.2 million to DOCS in June 2009. Actually, the \$10.5 million was not part of the budget process. Another \$5.2 million was allocated towards the end of the financial year, in June 2009, to acknowledge the fact that prisoner numbers had been realigned from 3 900 to 4 000. We had a situation during the year, as I read it, in which \$15.7 million of extra funding was allocated in two tranches. The first one dealt with an update of prisoner numbers from 3 700 to 3 900. The second—\$10.5 million in the 2008–09 financial year—which occurred in June of that financial year, was to accommodate a shift in DAP from 3 900 to 4 000. My understanding is that

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the increases were based on a prisoner number multiplied by a marginal cost rate per prisoner of approximately \$144 a day.

**Mr P. PAPALIA:** My interest lies in how the Department of Treasury and Finance and the minister justify these figures. The figure of 3 900 was used by Corrective Services for the budget calculations for allocations of prisoner numbers. That was the prisoner muster that it utilised. Subsequently, that muster escalated very rapidly, predominantly in the latter quarter of the 2008–09 fiscal year, particularly from April with the appointment of the new Prisoners Review Board. I cannot give the minister a guarantee, but I would suggest that that prison muster exceeded 4 100. Is that what the minister said?

**Mr T.R. Buswell:** I said 4 000.

**Mr P. PAPALIA:** I would suggest that the department had exceeded 4 000 by the time it approached the minister for that extra allocation. As the minister is the person responsible for the state's finances and this is such a significant ongoing problem with regard to the state's finances, I am concerned about how much rigour the minister and his department apply to assessing applications for additional funds and ongoing planning for funding from the Department of Corrective Services. I would suggest that by the time it received this allocation for 4 000 prisoners, it had well in excess of 4 000 prisoners in its prisons.

**Mr T.R. BUSWELL:** That is a good question. My advice is that the funding model we have for Corrective Services is quite robust. In government we see some funding models that are perhaps a little less robust. I do not think I need to talk about those. Corrective Services is generally regarded as having a robust funding model. The figure we use in daily average population is, as the name suggests, an average. We attempt to average that across the year and multiply it by a marginal cost to determine our total allocation. I understand that it is entirely consistent with the budgeting model adopted for Corrective Services by the former government. It is one of the few things that we have changed.

The member's issue is not so much with the funding model but with the fact that we are locking people up. I know he has a certain view about how nasty it is to lock criminals up and perhaps keep them in prison when they breach parole and all sorts of other things, but his view and ours may be slightly different.

**Mr P. Papalia:** It is not about locking people up; it is about wasting taxpayers' money. This robust tool that you claim the Department of Corrective Services has was completely compromised in April last year. Subsequently, the blatant growth of the prison muster has been so rapid that any tool that you may have inherited from the previous government is no longer appropriate. I want to seek some indication from you that you have applied a little more rigour than you currently appear to be indicating you have applied.

**Mr T.R. BUSWELL:** All I can tell the member is that we attempt to determine an average prison population and multiply that by a cost factor.

**Mr P. Papalia:** So it had exceeded the number that you had given them as an allocation when they asked for it.

**Mr T.R. BUSWELL:** That is because we were locking up more bad people. Heaven forbid that that may be a bad thing.

**Mr P. Papalia:** Does that mean you're feeding them less or you're clothing them less? What are you doing?

**Mr T.R. BUSWELL:** The marginal cost has not changed.

**Mr P. Papalia:** That's the point. You had more prisoners than they asked for money for.

**Mr T.R. BUSWELL:** Yes, because we are locking up more people. Maybe I am in a different orbit from that of the member for Warnbro. We come from a side of politics that says that if people break the law in a serious way and the law determines that they should be locked up, we will lock them up. Maybe that is wrong; I do not know. Perhaps the member can put his argument to the public of Western Australia at the next election.

**Mr P. Papalia** interjected.

**The ACTING SPEAKER:** Order, member for Warnbro!

**Mr T.R. BUSWELL:** Some things, member for Warnbro, we have to fund. It is called demand pressure.

**Mr P. Papalia:** If you sit down, I'll ask you another question.

**Mr T.R. BUSWELL:** I have not finished yet; I have two minutes and 18 seconds left, and I am going to use them up. If there were more kids at school at the start of the school year than we had anticipated, what does the member reckon we would do? Would we say, "Crikey; the funding model is wrong. Send them away"? No, we would not do that; we would educate them. If at the start of a certain period, there were more people lined up to

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go to prison than someone had anticipated, would we say, "Open up the gates and let them out"? No, we would not.

**Mr P. Papalia:** No; you say that you'll steal that money from schools, hospitals and police and put it into prisons.

**Mr T.R. BUSWELL:** No, we do not. Prove it. That does not happen. It is called the supplementary funding program.

**Mr P. Papalia:** That is effectively what you are doing.

**Mr T.R. BUSWELL:** It is entirely what happens. The fact is that the Labor Party does not like locking people up. That is fine; the member for Warnbro can espouse that view in all the Labor Party's marginal electorates: "I am the shadow Minister for Corrective Services and I do not believe in locking people up." Go for it. Ramp it up. Get out there and sing the message.

**Mr P. Papalia:** What is your plan?

**Mr T.R. BUSWELL:** It is not our view. Our view is that we will fund using a model that was developed —

**Mr P. Papalia:** Do you know how much it's gone up in the past 12 months?

**Mr T.R. BUSWELL:** I have been funding it. The member will see on Thursday exactly how much it has gone up in the past 12 months.

**Mrs C.A. Martin:** Stop being mean; just answer the question!

**Mr T.R. BUSWELL:** I am answering the question.

**Mrs C.A. Martin:** You're being mean.

**Mr T.R. BUSWELL:** I can be mean and answer the question; I can be kind and answer the question. The fact is that it is not a question that deserves to be answered kindly. The member for Warnbro's argument is that if more schoolkids turned up at school on day one, he would lock the door and send them home; if more patients turned up at the hospital system that the member for Kwinana wants to run than we had budgeted for, he would shut the doors and send them home; and, if more criminals were sentenced to prison sentences than we had budgeted for, he would lock the doors and let them go free. That is not our approach. We will fund demand pressures. That is why they are called demand pressures.

**Mr P. PAPALIA:** What I am saying to the Treasurer of the state, who is responsible for the finances of Western Australia, is that a department told him that it needed funds for 4 000 individuals when it already had probably a couple of hundred in excess of that number by the time it asked for that amount. All I am asking him for is some indication that he has applied some sort of rigour to the management of the state's finances for Corrective Services. It has blown its budget. Its population has increased by 955, which has increased the cost, according to the Chief Justice and the Inspector of Custodial Services, by \$95 million this year. I would have thought that that would be of interest to the Treasurer, but he should let me know.

**Mr T.R. BUSWELL:** I will tell the member what happens. When members of the jury go through their deliberations and find someone guilty and when the judge decides what the sentence will be, they do not open up a bit of paper that asks whether the Department of Corrective Services has blown its budget, and I would not expect them to. Would the member? Does the member for Warnbro expect a judge to take on board the budgetary position of the Department of Corrective Services? Of course he does not.

**Mr P. Papalia:** I expect you to care that a department is increasing its cost by \$100 million a year with no horizon in sight.

**Mr T.R. BUSWELL:** That is because more bad guys are being locked up in prison. Where has the member been? What orbit is he in? Where did he park his kombi van? What is he talking about?

**Mr W.J. Johnston:** Like that of the member for Southern River!

**Mr T.R. BUSWELL:** That is a good point. That is one of the worst kombi vans I have ever seen! However, it has no flowers on the side, fortuitously.

It is a model based on an average. The member for Warnbro should go home tonight, go to his fridge and get a bucket of iced water and put one foot in it, and then he should get a bucket of boiling water and put his other foot in it, because on average he is going to be comfortable. That is how it works. It is an averaging model. Yes, there are more people locked up in prison.

**Mr P. Papalia:** There were 4 000 in June last year.

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**Mr T.R. BUSWELL:** We will fund —

**Mr P. Papalia:** There are 4 871 today.

**Mr T.R. BUSWELL:** What would the member have us do—not admit them to prison?

**Mr P. Papalia:** There are 871 more than there were when you gave that money out.

**Mr T.R. BUSWELL:** Who cares?

**Mr P. Papalia:** You should care because it's \$90 million.

**Mr T.R. BUSWELL:** We are locking up bad people. We are locking up people whom the courts say we should lock up. Maybe I have missed the point. Maybe I have been asleep. Maybe I missed the last election campaign. It is exactly the same situation as a situation in which more primary school kids than the 116 000 that we budgeted for turn up to school on day one. Do we tell the first child who exceeds the 116 000 that he or she should go home or go to an alternative school? We do not say that. It is called demand pressure. We have to meet it. It is part of government. It has happened under this government and it happened under the previous government. We will keep locking them up.

**Mr P. Papalia:** It didn't

**Mr T.R. BUSWELL:** Of course it did! Is the member for Warnbro telling me that if I were to look at previous Treasurer's advances, I would not find demand pressures in education, health, corrective services, disability services and child protection services? Is the member saying that demand was flat for eight years? What planet is my friend the member for Warnbro on?

**Mr W.J. JOHNSTON:** I draw the Treasurer's attention to the document that he circulated when we discussed the Treasurer's Advance Authorisation Bill last year. The Treasurer explained to the chamber that these were the items included in the Treasurer's advance authorisation at the time he presented the bill. I remind him that that was the largest ever Treasurer's advance authorisation in the state's history. It reflected the fact that under his stewardship Western Australia has experienced the highest expense growth in its history. When I compare that to the document the Treasurer has kindly circulated to members tonight, which sets out the details of recurrent expenditure excesses and new items for the 2007–08 and 2008–09 financial years, the two documents do not match. For example, in the document that the Treasurer provided last year at the time of the Treasurer's advance authorisation, the Department of the Premier and Cabinet was not listed. In the document provided tonight, I note that \$8 584 000 has been allocated to that department. The Treasurer said that the Department for Communities would require \$29.8 million, which does not seem to reflect the amount included.

**Mr T.R. BUSWELL:** The member has raised a good point, but the fact of the matter is that things move. The Treasurer's advance legislation will be introduced tomorrow, but it was finalised a couple of week ago. There is an unallocated contingency in it. It is based on our best—I should not use the word “guess”—estimate at the time that we finalise the Treasurer's advance. There will be unders and overs. I am sure that there always have been unders and overs. The application of a global contingency, which will happen again on Thursday, is no different. I expect some departments will achieve what we anticipate when we introduce the Treasurer's advance. Some will exceed what we anticipate and some will fall short. Some, such as the Department of the Premier and Cabinet, may be an emerging issue that we have to fund. It is very much a work in progress, which is why we must bring this bill back to Parliament. This is the formal mechanism by which we appropriate the funding spent up to the limit established by the Treasurer's advance. The Treasurer's advance sets a limit. For a range of reasons the composition will always be subject to change.

**Mr M. McGOWAN:** My question relates to health. I refer the Treasurer to “WA Health” on page 8 of the Appropriation (Consolidated Account) Recurrent 2007–08 and 2008–09 (Supplementary) Bill 2009 and to the figures of \$42 million and \$145 million. I refer also to the document that the Treasurer handed out tonight. Page 3 refers to the “Recashflow of Election Commitment — FINE / Silver Chain (Public Hospital Admittance)” of \$9 million. I refer also to the line that reads “Recashflow of Election Commitment — Grants to After Hours General Practices”, which has a corresponding amount of \$1.92 million. There is then a heading that reads “WA Health — Contribution To Hospital Fund”, and over the page there are three lines that refer to a “Recashflow of Election Commitments from 2008–09 to 2013–14”, \$5 million, a “Recashflow of Election Commitment”, \$3.5 million, and a “Reversal of Additional Commonwealth Funding — Australian Healthcare Agreement”, \$50 million. Will the Treasurer explain what they mean?

With those re-cashflows, does it mean that they are election commitments that are undelivered? That is on pages 3 and 4.

**Mr T.R. BUSWELL:** What was the third one?

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**Mr M. McGowan:** The re-cashflow of election commitment regarding Silver Chain is on page 3. The second one is on page 4, “Recashflow of Election Commitments from 2008–09 to 2013–14”, \$5 million. There is also “Recashflow of Election Commitment — WA Suicide Prevention Strategy”, \$3.5 million, and “Reversal of Additional Commonwealth Funding — Australian Healthcare Agreement”, \$50 million. What are they? Are they election commitments that are undelivered?

**Mr T.R. BUSWELL:** With the re-cashflow, is the member talking about the hospital nurses support fund?

**Mr M. McGowan:** If you go to page 3 —

**Mr T.R. BUSWELL:** Unfortunately, my numbers are not the same as the member’s.

**Mr M. McGowan:** Silver Chain is the first one—FINE and Silver Chain.

**Mr T.R. BUSWELL:** Okay; we are just getting ourselves aligned. In relation to the FINE, which is the Friend in Need—Emergency scheme, and the Silver Chain public hospital admittance-related issue, the amount is \$9 million. I can say that initially in 2008, cabinet approved an allocation of \$84 million over four years, which included \$12 million in 2008–09, to WA Health to establish the Friend in Need—Emergency scheme. A certain amount of that money was unable to be expended in that financial year—re-cashflowing would indicate that—and that has been moved into the subsequent financial year. Does that mean the election commitment has been ignored? No. It simply means that its introduction has been delayed into the subsequent financial year for a range of reasons. I do not have those reasons. If the member wants those reasons, he should put that in a question on notice to the Minister for Health. My understanding is that the issues associated with getting the money spent are within the period and that that was basically moved into the following financial year. I am sorry; what were the other ones that the member asked for?

**Mr M. McGOWAN:** They are “Recashflow of Election Commitments from 2008–09 to 2013–14”, \$5 million; “Recashflow of Election Commitment — WA State Suicide Prevention Strategy”, \$3.5 million; “Recashflow of Election Commitment — Hospital Nurses Support Fund”, \$6.1 million; “Recashflow of Election Commitment — Assistance for Palliative and Cancer Patient Care”, \$2.9 million; and the list goes on. On top of that, there is the reversal of the additional commonwealth funding, \$50 million.

**Mr T.R. BUSWELL:** Again, where members see re-cashflowing, they can take it to mean that that is money that had been moved out of that particular financial year, which in this case would be 2008–09, and into the subsequent financial year. Therefore, members should read that as 2009–10 for each and every one of those programs. Again, I do not have any other detail. I encourage the member to put a question on notice to the relevant minister.

**Mr M. McGOWAN:** The Treasurer has not answered the other part of the question, which was about the reversal of the additional commonwealth funding. It is about the same page of the legislation—page 8. Against “Reversal of Additional Commonwealth Funding — Australian Healthcare Agreement”, there is an offset of \$50.2 million. I would like to know what that is.

**Mr T.R. BUSWELL:** My advice is that in 2008–09, WA Health received a net increase of \$82.8 million in commonwealth government funding under the Australian Health Care Agreement—so read \$82.8 million—which represented an increase in base funding and associated indexation. They are the five-year bilateral health care agreements between the commonwealth and each state. Obviously, there has been a movement—again I would assume a reversal, and I would perhaps have to take this on some notice. That reversal means that some decision had been made in and around that \$50 million. I do not have the detail, but I am happy to provide that extra detail —

**Mr M. McGowan:** Why would the state hand back \$50 million?

**Mr T.R. BUSWELL:** I am not sure that I take that as handing back \$50 million, because the document says that the amount for WA Health was \$145 million.

There were a number of issues that impacted on that. I note there is \$133 million additional commonwealth funding under the Australian Health Care Agreement. I note on the next page there is a reversal of additional commonwealth funding under the Australian Health Care Agreement of \$50 million. The net figure between \$50 million and \$133 million, as I read it, is around \$83 million, give or take. The information I provided to the member for Rockingham earlier under the additional funding was a net increase of \$82.8 million, which is almost \$83 million. I am therefore assuming that through some process that involved the commonwealth and the state, which I am unfortunately not privy to, we got given with one hand \$133 million and for some reason had to give back with the other hand \$50 million, which led to a net increase over and above that which had been initially anticipated of \$82.8 million. I therefore do not see that as a negative; we have come out in front with a

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net figure of \$83 million. That is the full extent of the information I have. My strong advice would be that if the member requires further information, I have committed to providing some supplementary information around that or he can ask the minister a question, but that is the data I have. It is a net increase. I am not privy to all the dollars that go in and out under the Australian Health Care Agreement, unfortunately.

**Ms R. SAFFIOTI:** My question also relates to health. One item refers to “Recashflow of Election Commitments from 2008–09 to 2013–14”, which seems a little different from the other items that the Treasurer said had only a one-year delay. Could the Treasurer list which election commitments have been deferred from 2008–09 to 2013–14?

**Mr T.R. Buswell:** I do not have that detail, but again I am happy to provide that detail to the member for West Swan.

**Ms R. SAFFIOTI:** Will that be by additional information?

**Mr T.R. Buswell:** Yes. Through some mechanism we will table that supplementary information. For some questions I will ask the member to ask the Minister for Health, but on that sort of question I am happy to provide the information, as it should have been here.

**Ms R. SAFFIOTI:** Also on health, one item of additional expenditure by Health in 2008–09 in the table headed “WA Health — Contribution to Hospital Fund” is an extra \$1 million for “Debt Servicing — Department of Treasury and Finance ...”. Can the Treasurer explain why that exists? I note that a saving was highlighted under the Public Transport Authority through reduction in debt servicing because of a reduction in interest rates. Could the Treasurer explain why there is additional expenditure from Health going to Treasury for what appears to be additional interest payments?

**Mr T.R. BUSWELL:** The advice I have is that the item refers to an allocation of \$1 million in 2008–09 that Health received to retire Department of Treasury and Finance repayable appropriations and loans from Treasury Corporation. So it would seem that it was an appropriation to which Health had access to retire a repayable appropriation—I wish I knew what a repayable appropriation was; I wish I had more of them—and also loans from WATC.

**Mr J.C. KOBELKE:** My question relates to page 7 of the information handed out by the Treasurer. Under “Education and Training” there is a sum of \$7.649 million for “Royal Street Rental Expenses”. Could we have some explanation as to why a building that has been rented for some years now has this additional expenditure relating to rental?

**Mr T.R. BUSWELL:** The advice I have is that the Department of Education and Training has a tenancy at 151 Royal Street, East Perth and that in 2008–09 it needed \$7.6 million to fund significant increases in the cost of what I have been advised is maintaining the tenancy. I am assuming therefore that it is for lease and other costs. That is the sum total of the information I have. If the member for Balcatta has any other question relating to the Department of Education and Training’s occupation of 151 Royal Street, which I think is head office, “Silver City” —

**Mr M. McGowan:** Yes.

**Mr T.R. BUSWELL:** I thank the member for Rockingham. I have never visited it, but it is quite a large footprint. I do not have exact details on the annual rental. I suspect it is related to that and possibly other costs.

**Mr J.C. KOBELKE:** The building there has been the Department of Education and Training headquarters for decades. If the lease were due to be renewed, surely that should be taken into account and not caught here as extra expenditure, or the department might have extended its area or something. It looks a bit unusual and I think it would be appropriate for the minister to give some explanation—if not now, then by supplementary information—as to why the DET headquarters, which has been there for years, should suddenly incur more than \$7.5 million in extra rent expenses.

**Mr T.R. BUSWELL:** I have given the member the information I have. I say to him that if he has an interest in that particular Royal Street property, he should ask the minister a question on notice. I do not have any more detail, although I will say, more broadly, that as office accommodation, it is an absolute dog’s breakfast. I found agencies whose leases had expired and they had failed to take up options; I found agencies in all sorts of weird and wonderful rental arrangements. I am not saying that that applies to Royal Street; we are trying to fix that now. The information I have given the member is the sum total of the information I have. I will not speculate further, but I would respectfully encourage the member, if he has a question in relation to that matter, to put the question on notice to the Minister for Education.

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**Mr J.C. KOBELKE:** To pursue this a little further, can we have an explanation for the entry under “Curriculum Council” on page 8—“Curriculum Council Operating Deficit and Senior Schools Reform”—and an amount of \$2.1 million. Can we have some explanation as to how that was incurred by the Curriculum Council?

**Mr T.R. BUSWELL:** My advice is that in April 2009, as part of the budget process, cabinet endorsed an allocation of \$2.1 million to fund the Curriculum Council’s operating deficit in 2008–09, and to cover the costs of increased compulsory high school examinations as a result of the implementation of the senior schools reform.

**Mr M. McGowan:** What a good decision.

**Mr T.R. BUSWELL:** Yes, all good decisions occasionally have funding implications. We were obviously doing two things with the \$2.1 million. There was funding for compulsory high school examinations, which I think is a great thing, and there was obviously some operational deficit; I do not have any detail in relation to the breakdown.

**Ms R. SAFFIOTI:** To stick with education, I refer to the item “Recashflow Election Commitment — Better Behaviour in Public Schools”, and an amount of \$5 million. Could the Treasurer explain to us what year that has been re-cashflowed to, and what that election commitment refers to—whether it is the total election commitment that has been pushed back, or whether there are elements of election commitment being pushed back?

**Mr T.R. BUSWELL:** I can tell the member that cabinet approved an allocation of \$40 million over four years, of which \$6.3 million was to go to the Department of Education and Training in 2008–09 to provide behavioural management specialists in support for public schools, in line with our election commitment. One hopes that this program will result in increased chaplaincy services as well as the employment of 50 additional school-based psychologists and 10 behaviour management specialists. It was reduced in 2008–09 by \$5 million to reflect the anticipated spending profile of the government. Obviously a lump of money was allocated late—I stress late—in 2008, and during the balance of 2008–09 it was not spent in line with the allocation money.

**Ms R. SAFFIOTI:** Are these items necessarily re-cashflow, or is it just under-expenditure?

**Mr T.R. BUSWELL:** We treat them as the same. Generally, re-cashflow will be for one of two reasons: either we have not been able to spend the money for a defined program and it is basically just moved back through the forward estimates, or we make a conscious decision to not spend that money during period X, but to start spending it during period Y, and it is re-cashflowed from period Y as opposed to starting during period X. The member is right; it could be an underspend, or it could be a conscious decision by government to defer that spending for a time. My understanding is that they are both generically referred to as re-cashflowing.

**Ms R. SAFFIOTI:** Just to clarify, a re-cashflow would normally happen with capital items, because they are basically project driven. Initially you said that for all these items expenditure was pushed back from one year to the next. But that is not really the case, because they are recurrent items. If you did not spend the money in 2008–09, then unless a conscious decision was made to add that money into the following year, it is not really a re-cashflow. It is basically that you did not spend it; and it is a recurrent item anyway, so it keeps going.

**Mr T.R. BUSWELL:** The member can call it what she likes. We are calling it a re-cashflow, because we are not spending the money this year; we are spending it next year. With some of these things, the practicalities are—as I am sure the member would be aware—that when we come into government, we are full of eager anticipation about all the wonderful programs that we are going to deliver.

**Mr W.J. Johnston:** That is what your mate Rudd is doing!

**Mr T.R. BUSWELL:** My mate! That is a nice turn of phrase!

**Ms R. Saffioti:** Your mate!

**Mr T.R. BUSWELL:** My mate Kevin; and tomorrow I am meeting my mate Wayne—well, my mate at least for the next 12 hours!

That is what happens. Sometimes we have programs on which with good intent we want to spend money, but it is not always possible. In relation to the Better Behaviour program, our intention is still to spend the \$40 million. It is just going to occur over a slightly different period of time.

**Ms R. Saffioti:** But that \$5 million, for example, would not be added to the 2009–10 expenditure?

**Mr T.R. BUSWELL:** I would have to double check, but my understanding is that there would be a quantum shift.

**Ms R. Saffioti:** So it is all pushed back?

**Mr T.R. BUSWELL:** Yes—a re-cashflow, as we say it.

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**Ms R. Saffioti:** Well, not really, because you said before that the re-cashflow was push-back from one year to the next.

**Mr T.R. BUSWELL:** What I am saying is that re-cashflowing can happen for two reasons. The seniors' cost-of-living rebate—as much as I hate to raise that issue—is something that we pushed back by a couple of months.

**Mr J.C. Kobelke:** But that is not a re-cashflow.

**Mr T.R. BUSWELL:** That is a re-cashflow. Similarly, we fund programs that we quite simply cannot get off the ground. That is a re-cashflow.

**Mr W.J. JOHNSTON:** I am still on “Education and Training”. At the time of the Treasurer’s advance authorisation there was a lot of discussion, as the Treasurer will remember, about the enterprise bargaining agreement for schoolteachers and the funding of that. Page 7 of the document refers to “Election Commitment — Teachers’ Pay”, and an amount of \$35 million, and page 8 refers to “Recashflow of Teachers’ EBA Funding”, and an amount of \$33.954 million. Does that mean that the additional expenditure on that item is \$1 million, and change, in 2008–09; and, if so, is there any explanation for why it is such a small amount, particularly given the amount of discussion that we had on that very topic during the TAA debate?

**Mr T.R. BUSWELL:** I do not have any detail on this other than what is presented here. On my quick reading of that data, the member is probably right. An amount of \$35 million was allocated to meet the teachers’ pay EBA, or election commitment—or whatever the member likes to call it. For whatever reason, the totality of that was not drawn. Unfortunately I do not have that data, but I accept the broad thrust of what the member is saying. It is absolutely correct.

**Ms R. SAFFIOTI:** I refer to the page 15 of the document, under the heading “Communities”, and the item “Election Commitment — Seniors’ Cost of Living Rebate”. It appears that \$25 million has been provided in 2008–09 for that rebate. However, as I understand it, that rebate has not been paid. Perhaps I have got my financial years wrong —

**Mr T.R. BUSWELL:** Yes. It is the wrong year, member. The rebate for 2009–10 has not been paid.

**Mr W.J. JOHNSTON:** I just want to clarify something that the Treasurer said about the approach that the government has taken to the TAA. When in opposition, the Treasurer was very critical of the former government and its accountability to the chamber in respect of its expenditure. Given that for the two years of this government, the Treasurer has had record expenditure growth, is the Treasurer saying that we have had these unders and overs et cetera, and that the information that the Treasurer provided at the time of the TAA debate—which I referred to before—should not be relied upon, and that we should worry just about the authorisation that the Treasurer is seeking from the house today in these appropriation bills? If that is the case, how do we as members of Parliament hold the government to account on its intentions? How do we know when it has succeeded or failed in its intentions? The Treasurer has brought in a \$1 billion Treasurer’s advance authorisation, the largest in the history of the state. How do we do our job to hold him to account? What does the Treasurer suggest we do to ensure that he is telling us what he wants to do, that he has a plan and that the plan is being implemented, if there is no relationship to it in the information provided?

**Mr T.R. BUSWELL:** That is a good question, and I would ask the same question. I suppose that I could summarise it like this: technically the Treasurer’s advance is the upper limit to which we can spend, and so we do that. We provide data at the time of the Treasurer’s advance to give a best possible indication of where that money is intended to be spent. Is it perfect? There will always be slippages. We will not spend all the money we anticipated. In some areas we will spend more than anticipated; there may be areas where we anticipated spending and we do; there may be areas where we anticipated spending and we do not. That is just the reality of what we do. The Treasurer’s advance technically gives an absolute. This is where we are held accountable for the composition of the absolute. We cannot spend over the absolute. It caused us a tad of grief last year towards the end of the financial year as we managed some of the Treasurer’s advance. We now come back to Parliament and, rightly so, have to account for every single dollar of spending. Is it perfectly going to match dollar for dollar with the Treasurer’s advance authorisation? No. Has it ever? I doubt it. Perhaps when the TAA was very small, it might have been closer to the appropriation. I think it is a valid point that the member raises. There is always a contingency in the TAA as well for the unexpected, and by its nature there will always be the unexpected. I think that where the Parliament can have some comfort is the fact that the TAA sets an absolute and we cannot go beyond it and that, ultimately, we have to report back to Parliament with the composition of that absolute. On the other point the member raised earlier about why we are doing 2007–08 now, I think he is perfectly correct in raising the issue. My intention is not to have to do that again, because it is so long ago that we have almost forgotten what it was. I accept that. The other commitment is that when the TAA is introduced tomorrow, I will provide a breakdown of what the member has now in the detail so that he can consider it for at least a day ahead

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of the debate, in the knowledge that that is the full sum of the information I have. So I will not be able to provide much more detail, but that is the best I can provide.

**Mr W.J. Johnston:** Is there not a problem in that there does not appear to be any relationship between what you gave us under the TAA and what you are presenting tonight? To take education, for example, the only money allocated was for capital improvements.

**Mr T.R. BUSWELL:** Again, it is a dynamic environment we live in. We often rely on information that agencies provide to us when we set up the TAA compared with what agencies then realise at the end of the year. It is imperfect. I am not going to debate that, because the member is 100 per cent right. All I can do is stand before the member with the actuals that were anticipated at the time of the TAA compared with the actuals at the time of the end of the budget cycle, and he can hold us to account. We did this once before when I was in opposition and we were very critical. We were debating spending items. We are not going to do it tonight because 2007–08 was a different government. The current opposition was then in government. We are basically appropriating money now that was spent during the time of the former government, and that is fine, but it was two years ago. I am battling to remember what happened last week! It is a good point.

**Mr P. PAPALIA:** I am almost afraid to confront the Treasurer again after that demonstration of incredible zeal in defending the hard right-wing zealots in his party who are insisting on ignoring completely the skyrocketing costs of the prison system as a result of the exploding numbers of the prison muster, but I note that his wife is in the chamber so I figure that he will behave himself a little more now than he would otherwise.

Can I ask the Treasurer about schedule 2 —

**Mr T.R. Buswell:** She doesn't like you; she told me!

**Mr P. PAPALIA:** She is only human; come on!

**Mr T.R. Buswell:** The “Burekup Berk”, she calls you!

**Mr P. PAPALIA:** I am sure she would not do that.

I refer to schedule 2 on page 11 of the Appropriation (Consolidated Account) Recurrent 2007–08 and 2008–09 (Supplementary) Bill 2009, and the breakdown of that on page 14 of the Treasurer's document, related to the previous period funding shortfall to the Office of the Inspector of Custodial Services. Can the Treasurer provide an explanation about the \$355 000 and how the shortfall came about?

**Mr T.R. BUSWELL:** We have an interesting challenge: the member's figures are different from mine.

**Mr P. Papalia:** Sorry; I am asking about the 2008–09 Office of the Inspector of Custodial Services expenditure, or advance.

**Mr T.R. BUSWELL:** Is the member asking about the grand sum of \$355 000?

**Mr P. Papalia:** It all counts, Treasurer; it's all taxpayers' dollars.

**Mr T.R. BUSWELL:** I can inform the member that in 2008–09 supplementary funding of \$355 000 was provided to the Office of the Inspector of Custodial Services to cover an operational shortfall over two years—2007–08 and 2008–09. Obviously, there were some funding pressures. We do this in agencies from time to time; for example, Health, which is on a slightly larger scale. I do not have a breakdown of spread of that \$355 000 across those two years, but clearly there were some funding pressures that we felt compelled to meet. Sometimes agencies come to us with funding pressures that we do not meet, and we make them source them internally, but that is not always the case.

**Mr J.C. KOBELKE:** On page 12 of the Treasurer's notes, under “Racing, Gaming and Liquor — Administered”, there is amount of \$1.1 million for deferred equine influenza financial assistance. Can the Treasurer explain what that means and why it was taken out of the preceding year and put into this year?

**Mr T.R. BUSWELL:** It means there were a lot of sick horses, member for Balcatta! The former government's cabinet had previously approved a draw down, in October 2007, for an allocation of \$1.1 million to the Department of Liquor, Gaming and Racing for the equine influenza assistance package; the member may recall that. DOLGAR made a decision that it did not need to draw that down in 2008–09 because it held strong cash balances.

**Mr J.C. Kobelke:** It didn't draw it down in which year—2007–08?

**Mr T.R. BUSWELL:** It deferred the draw down of the allocated funding to 2008–09 because strong cash balances were held at the end of 2007–08. It made a decision in 2007–08 not to draw it down, and deferred it until 2008–09.

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**Mr J.C. Kobelke:** Does that mean it may have spent the money on the equine influenza in 2007–08, but did not actually take it from Treasury until the following year?

**Mr T.R. BUSWELL:** Correct. It is a cashflow matter.

**Mr J.C. KOBELKE:** I would appreciate it if the Treasurer would assist me to try to understand the actual presentation of accounts so that I can understand what lies behind them. If we go to the 2008–09 “Annual Report on State Finances”, released in September 2009, appendix 5 provides the policy decisions affecting spending. I know that the time at which things are brought to book can change things, but I have assumed that appendix 5 is a reasonable summary of decisions that have impacted on the budget, and therefore I thought they would be, to some extent, in parallel with the part of the bill that covers the 2008–09 year, but I have had difficulty finding reconciliation on a number of points and I am seeking some explanation. I will give the Treasurer an example: The 2008–09 “Annual Report on State Finances” shows nothing under “Treasury” relating to the royalties for regions program, but under “Local Government and Regional Development” there is \$175.3 million; how does that \$175.3 million relate to the \$269.1 million shown under “Treasury and Finance” in these bills? There must be some relationship, but I cannot discern it from the differing figures in those two presentations.

**Mr T.R. BUSWELL:** I do not have a specific answer to that question; it is only a couple of hundred million dollars! I am happy to provide supplemental information, as I am sure the member can see that I am trying to be helpful wherever I can.

**Mr J.C. Kobelke:** I assume they equate to the same area.

**Mr T.R. BUSWELL:** There are two Ps in spending—policy and parameter. Ultimately, anything reflected in the TAA would reflect either a policy decision of government, which is, “We will do this,” or a parameter decision: “We have more prisoners in the clink; we have to feed them.” There are two factors that combine to make up the total amount of spend—discrete policy decisions and parameter shifts. Without knowing the detail, I expect that the total appropriation will be different from the amount listed under policy decisions because it will also include parameter shifts; that is, more kids at school, so we need more funding.

On that specific royalties for regions issue, I do not have an answer. I will get an answer. I suspect it has something to do with the fact that Treasury holds all sorts of accounts in which it holds money for all sorts of agencies for all sorts of reasons. I would rather not speculate on that, but I will provide more accurate details. My officer is dutifully writing that down and I will attempt to get that answer by way of tabled information in the future.

**Mr M. McGOWAN:** The Treasurer said he will provide supplementary information, but there is no supplementary information process for this stage.

**Mr T.R. Buswell:** I will now use the word “table”. I will table answers to those questions through some process.

**Mr M. McGOWAN:** There were a range of questions during consideration in detail.

**Mr T.R. Buswell:** I will provide the information. If I miss one, the member can remind me. I am sure that was picked up by Hansard, and my officer is a highly reliable individual.

**Mr M. McGOWAN:** The Treasurer will table that information—terrific.

I have a question on items in the police budget and also the planning and infrastructure budget. The Treasurer has indicated on a number of occasions that a re-cashflow of an election commitment is basically deferring it for a year or longer perhaps, but he also refers to a deferral. If the Treasurer looks to the reference to “Western Australia Police” at page 11, it reads “Deferral of Supplementary Funding”. If he then goes to Planning and Infrastructure, instead of re-cashflowing, it refers to “Deferral North Greenbushes Railway Project” and “Deferral Owners Drivers Program”. What is the difference between a re-cashflowing of an election commitment and a deferral of a program that was obviously in place? Can the Treasurer comment on the specific examples of deferral of supplementary funding, the Greenbushes railway program, and the deferral of the owner–driver program?

**Mr T.R. BUSWELL:** That is what I call a BGQ—a bloody good question! I suspect it has something to do with the terminology used by the person writing it, although I can provide information. It is a fair call; I do not have a specific answer. For example, with WA Police, the deferral of supplementary funding of \$5.065 million relates to a decision by police to reduce their drawdown of supplementary funds in 2008–09 by \$5.1 million as part of its cash management process. That funding will be drawn down subsequently in 2009–10 and 2010–11. If the member wants details of why that happened, he will have to ask the Minister for Police. Clearly, police at the time had supplementary funding approved but decided not to draw down on it.

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**Mr J.C. Kobelke:** It may have been something like the operational cost of new helicopters, because they did not buy them.

**Mr T.R. BUSWELL:** It could have been. It could have been anything.

**Mr J.C. Kobelke:** We put in a lot of money for new helicopters, but they were not bought.

**Mr T.R. BUSWELL:** I am not prepared to speculate on why that money was deferred as opposed to re-cashflowed, other than to say that it may have been a turn of phrase. The North Greenbushes project has definitely been deferred.

**Mr M. McGowan:** Why has it not been re-cashflowed?

**Mr T.R. BUSWELL:** That is the turn of phrase used. I can tell the member that the Greenbushes railway project was both re-cashflowed and deferred. There may be some further announcement around that in due course, but any specific questions the member has on Greenbushes railway he can put to the Minister for Transport, as I am sure the member for Collie–Preston has already.

**Mr R.H. COOK:** I am seeking clarification on “WA Health — Contribution to Hospital Fund”. The election commitment under hospital nurses support fund is \$6.1 million, plus a re-cashflow of \$6.1 million, which suggests that nothing has been spent in 2008–09 under the hospital nurses support fund. My understanding was that in that financial year there were at least two activities—the purchase of a childcare centre at Rockingham hospital and another, I believe, at Princess Margaret Hospital for Children. Can the Treasurer clarify the activities associated with that fund?

**Mr T.R. BUSWELL:** Hospital nurses support fund: I want to get it straight; are we dealing with the re-cashflow of \$6.1 million?

**Mr R.H. Cook:** They are both \$6.1 million, so my point is —

**Mr T.R. BUSWELL:** It is money in, money out.

**Mr R.H. Cook:** Was absolutely nothing done?

**Mr T.R. BUSWELL:** Is this in the 2008–09 financial year?

**Mr R.H. Cook:** Yes.

**Mr T.R. BUSWELL:** I may not be able to help the member specifically with that; the member might have to ask the minister a question on notice. What I know is that we allocated \$21.3 million over four years—\$6.1 million in 2008–09. I suspect that—the member will have to ask the minister to confirm—the fact that it has been re-cashflowed suggests that that money was not spent to 30 June 2009. That does not mean it was not committed; that is, we might have given a commitment to do something—I think the member mentioned child care, which is great—but it may well not have been spent; in fact, I suspect it was not. I suspect that any spending that was associated with the commitments made prior to 30 June 2009 has not happened until the current financial year.

**Ms R. SAFFIOTI:** My question relates to expenditure under the Public Transport Authority for 2008–09. In the table on page 9 under “Offset By” is the item “Increased Fare, Rental and External Works Revenue above 2008–09 Budget Forecast”. Of the \$14.263 million, can the Treasurer break down: how much came about because of increased fare revenue; how much came about from increased rental revenue; and how much came about from the external works revenue? I have some follow-up questions too, but I will get the Treasurer to answer these questions first.

**Mr T.R. BUSWELL:** In relation to those specific items that amount to \$14.3 million, the ministerial offices have provided me with no further details. I have offsets and exactly the same detail that the member has in relation to that. Therefore, I will not even speculate but I will make a note, given that that is something that we should have been providing, and provide that by way of information that I will table at a later date, and I do apologise.

**Ms R. SAFFIOTI:** Thank you, Treasurer. As well as the breakdown between those three items, could we have just a short explanation; for example, is the fare a revenue figure because the fare increase was higher than anticipated? In respect to rental revenue, too, does that again —,

**Mr T.R. Buswell:** We will give the member the breakdown and we will try to identify the causes for those increases up to that sum of money.

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**Mr J.C. KOBELKE:** I have two questions. One question refers to page 11 under “Western Australia Police”. Can we have some explanation of the movement in leave liability of \$4.5 million? Were police asked to use up their accrued leave? Why has the government suddenly copped \$4.5 million in one year? Further, on page 12, under “Western Australian Sports Centre Trust” —

**Mr T.R. BUSWELL:** Can we deal with one question at a time? Sorry member, I am not trying to be disrespectful but with our alternative page numbering it is a bit tricky.

Movement in leave liability: the police received an allocation of \$4.560 million—let us round it up to \$4.6 million—in the 2008–09 financial year to cover an increase in leave liability balances. My advice is that an actuarial model is used to calculate the agency’s leave liability in which interest rates are used to discount future cashflow requirements into present values. So there is a future cashflow requirement and there must be a net present value or an interest rate to apply across that. When the interest rate decreases, which it did, the leave liability increases, because the discount rate decreases. Therefore, the net present value of those future cashflows increases. That is what happened across government and it cost government hundreds of millions of dollars off the bottom line last year. The leave liabilities increased because interest rates decreased.

**Mr J.C. Kobelke:** As this is held against Western Australia Police, does that mean that the \$4.56 million was transferred to police for it to hold in cash reserves, a trust fund or something else?

**Mr T.R. BUSWELL:** Yes. It would have gone into police and been passed to a holding account for leave liability.

**Mr J.C. Kobelke:** In other words, generally, the individual agents hold those cash reserves to cover leave liability because it is not held centrally?

**Mr T.R. BUSWELL:** The member is correct. I think we use a component of the bond rate—I do not know which one—in determining the interest rate that we apply across the future cashflows. Last year the government had to fund more than \$100 million or perhaps up to \$2 million off the bottom line.

**Mr W.J. Johnston** interjected.

**Mr T.R. BUSWELL:** Yes, It happened across government. I am not sure how other departments were funded, but on aggregate it had a big impact.

**Mr J.C. KOBELKE:** If I understood the Treasurer correctly, he said that there had to be an adjustment across the public sector because the government’s actuarial analysis indicated that the amount provided for leave liability was inadequate. Therefore, Treasury provided \$4.56 million to police to cover that. If that happened across the public sector, why are we not seeing a similar amount against other agencies?

**Mr T.R. BUSWELL:** That is a good question. I cannot confirm this, but it might have been because police—as the member will be aware having been a former police minister—runs a fairly lean and efficient operation and might have lacked the capacity to absorb any change. I am not aware of other agencies, but police sought \$4.65 million to cover that in this instance, which we funded. The member knows that the police department runs pretty close to the bone. It is a reasonably lean and efficient organisation. I suspect that might have been the case, but I cannot confirm that was exactly the case and I do not want to speculate on it. However, from a global point of view right across government, it had a huge impact on the bottom line last year. I was really thrilled when I was presented with that information!

**Mr J.C. KOBELKE:** The other question that I foreshadowed related to page 12 of my copy of the Treasurer’s document and it might be a different page on his copy; that is, the Western Australian Sports Centre Trust for which there is a one-off funding injection of \$1.642 million. Can the Treasurer give a reason for the basis for that additional funding injection.

**Mr T.R. BUSWELL:** Again, that is a good question. It is a one-off funding injection to restore cash balances and to provide working capital to the agency. For whatever reason I suspect the agency might have run slightly over its allocation for one or two years and from time to time we have to top up its allocation. Members will have noticed in the midyear review that we did that for health. I wish health was only \$1.6 million. My recollection is that it was a hundred —

**Mr P. Papalia:** And the rest.

**Mr T.R. BUSWELL:** There are two aspects to health and members will see it outlined in glorious detail tomorrow. Last year health sort of ran out of money and nearly breached, according to some interpretations, some components of its responsibilities in drawing down on funds that were held in other accounts. That has been well documented. We had to provide a capital injection into health because it lived beyond its means. This will have been a capital injection into the Western Australian Sports Centre Trust for the same reason. I do not

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know whether it happened in that year or it was a hangover for a couple of years. That is generally why we have to provide capital injections. It is not something that I am pleased about doing, but, ultimately, and notwithstanding our best efforts, we cannot have insolvent government agencies.

**Mr P. PAPALIA:** I refer again to the 2008–09 corrective services expenditure and the breakdown provided in the line “Government Regional Officers Housing Rental Costs”. Is that something that is spread across the state or was a large proportion of it associated with flying prison officers in and out of Roebourne or the Karratha area to staff the Roebourne prison?

**Mr T.R. BUSWELL:** I thank the member for the question. I cannot imagine that the cost of flying someone anywhere would be picked up in GROH. Agencies pay the Department of Housing to provide Government Regional Officers’ Housing. My advice is that the Department of Corrective Services needed an extra \$4.435 million in the 2008–09 financial year to meet the increased operating and maintenance costs for GROH housing as a result of increases in rental costs passed on to them by the Department of Housing to administer the GROH program for every government agency, with the exception of the Department of Health. Health should be in GROH, and I suspect it will ultimately be in GROH. It is ridiculous to have a separate system of Government Regional Officers’ Housing for Health as opposed to the rest of the agencies. We still need to make reforms in GROH. GROH is an important part of providing the necessary inducement to get government regional officers into regional areas. The advice I have is that there was an increase in GROH costings, or bills to that department, of around \$4.4 million. That was effectively because of the invoices they had from my department to the Department of Housing. I can only imagine that was due to maintenance costs, or, as the note here says, “maintenance costs or rental costs levied by the Department of Housing.” Would it relate to fly in, fly out to Roebourne? It may relate to providing housing for people working at Roebourne but, for the actual cost of transportation, it is not a GROH responsibility.

**Mr P. Papalia:** So the Treasurer does not know the breakdown of locations?

**Mr T.R. BUSWELL:** No; but I suspect most of the costs would have been costs in the north of the state.

**Mr P. Papalia:** Specifically Roebourne—my understanding is that there are a large number of prison officers there who are accommodated in short-term, high-level rental —

**Mr T.R. BUSWELL:** I am not sure whether they are funded under an arrangement with GROH or an alternative arrangement with the agency. There are government agencies that, for a whole range of reasons, have people working in regional areas that are not in GROH houses. They might be in motels; they might be in all sorts of things.

**Ms R. SAFFIOTI:** Can I ask about —

**Mr T.R. BUSWELL:** Is the member sure her baby is not hungry; I have run out of puff!

**Ms R. SAFFIOTI:** I have already fed her. I thank the Treasurer for his concern. Under “Treasury and Finance —

**Mr T.R. BUSWELL:** I will give you a tip—they do not get any less hungry as they get older!

**Ms R. SAFFIOTI:** Under “Treasury and Finance—Administered” there is an item regarding a refund of past years’ revenue collections of \$90 million. It is on page 10 of our copy. Does that figure relate to one refund or does it relate to a number of taxpayers having been refunded?

**Mr T.R. BUSWELL:** The \$90 million?

**Ms R. SAFFIOTI:** Yes.

**Mr T.R. BUSWELL:** I suspect “All Others” includes a number of people. My advice is that there was an allocation of \$90.7 million for the repayment of higher-than-expected tax refunds following successful taxpayer appeals. I do not know the breakdown. If the member wants the detail, she can ask me a question; I am happy to provide it on notice. I am not going to provide it by way of tabled information but if the member has an interest in revenue refunds, I am happy to provide the information. I do not have any more detail than that.

**Ms R. SAFFIOTI:** In the table above it refers to “Office of State Revenue Legal Costs Appeal”. An additional \$2.4 million was provided to the Office of State Revenue. Do those items go together in the sense that there was additional funding given to the Office of State Revenue to fund some appeals by some major taxpayers and the state lost and that is why there is \$90 million being refunded?

**Mr T.R. BUSWELL:** That is a good point. The member is right. The \$2.4 million was effectively for legal costs. My understanding is that a lot of that related to a dispute before the State Administrative Tribunal in the defence of one \$160 million stamp duty assessment. Of course, it would be inappropriate for me to speculate on

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whom that was for, but I actually do not know. There was a stamp duty assessment with penalty tax and possible interest. The advice I have is that due to the magnitude of the assessment and the complexity of both the factual matters and legal issues, a whole range of specialist valuers, expert witnesses and senior counsel had to be engaged. I am not sure whether the full \$2.4 million covered that. After reading this advice, it may well have done. I do not have that detail, but I assume so.

**Mr W.J. JOHNSTON:** I draw the Treasurer's attention to the Disability Services Commission and to the line item "Election Commitment — Five Out of Home Respite Facilities" for \$5 million. I wonder whether that \$5 million was allocated to recurrent expenditure. I am confused. Given that it was an election commitment in 2008–09, it is not clear how the government is expected to spend \$5 million recurrent on that. It is also re-cashflowed below that in the table.

**Mr T.R. Buswell:** Can the member just hang on a minute?

**Mr W.J. JOHNSTON:** Certainly. It is on page 9 of the document that I have. I do not know what page it is on in the Treasurer's document.

**Mr T.R. Buswell:** I assure you that we will have consistent page numbers next time. What was the member's question?

**Mr W.J. JOHNSTON:** There is a line item for "Election Commitment — Five Out of Home Respite Facilities" for \$5 million. It sounds like a capital amount, but let us leave that aside. Below that in the table there is a line item for "Recashflow — Election Commitment — Five Out of Home Respite Facilities" for \$4.588 million. I am interested to know what happened. This is a general question that the Treasurer might address as well. Do we have any indication which of these re-cashflow election commitments have been dropped and will not be seen in the future; which are being flowed through to future years but are being paid for by a reallocation of the department's resources; and which are being flowed through to subsequent years and are increases over what was in the pre-election financial projections?

**Mr T.R. BUSWELL:** In answer to the second part of the question, that sort of detail is picked up as we work through the budget process. I am not going to go through each of these, but clearly some were being re-cashflowed at this time. The money was being moved back for a range of reasons—either we could not deliver on it or we made a conscious decision to push it back. Some of those will not happen. Either the government will make an announcement in relation to that or, in the true nature of political argy-bargy, the member will discover that. That largely comes out through the budget process.

**Mr W.J. Johnston** interjected.

**Mr T.R. BUSWELL:** That is how it works, is it not? Let us be up-front.

The line item for five out-of-home respite facilities specifically relates to \$11.7 million of funding over two years—with \$5 million in 2008–09 and, I suspect, the other \$6.7 million in subsequent years—to provide grant funding, which is why it is recurrent for the Disability Services Commission, to the Department of Housing to construct home respite facilities in metropolitan and rural Western Australia. The member is right; the fact that \$4.5 million of that \$5 million, which is a big chunk, was re-cashflowed suggests that it simply was not spent. I think it is a fair call.

**Mr M. McGOWAN:** I refer to schedule 2 on page 10 of the bill. Under the line items for Treasury and Finance, there is a range of areas of expenditure, but there is a range of additional expenditure under each portfolio area in the entire schedule. I am interested in the cost of additional staff. I would like to know for each portfolio, or perhaps in totality, how many additional staff have been employed since the Treasurer announced the staffing cap a year or so ago and at what additional cost?

**Mr T.R. Buswell:** Is this under Treasury and Finance?

**Mr M. McGOWAN:** Treasury and Finance is an obvious area under which to ask the question, but it impacts on every portfolio.

**Mr T.R. Buswell:** Which line item is it?

**Mr M. McGOWAN:** On page 10, there is a line item for Treasury and Finance for \$5.844 million. No doubt there is additional expenditure for staff members for each of the agencies, including the Western Australia police service. They are all global amounts. I am interested in the additional expenditure on staff and the additional number of staff employed by the government since the Treasurer announced the staffing cap.

**Mr T.R. BUSWELL:** The \$5.844 million for the Department of Treasury and Finance specifically relates—I think you have been given this detail—to land tax measures of \$165 000; building management works

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depreciation costs of \$1.760 million; Office of State Revenue legal costs of \$2.3 million; Economic Audit Committee establishment costs of \$800 000; building management works for mesothelioma claims of \$485 000; and Community and Public Sector Union – Civil Service Association, general agreement 4, wage claims of \$3.8 million. This is offset by the efficiency dividend of \$3.1 million; media and marketing that saved us \$142 000; and the reduction drawn out of the supplementary funding of \$243 000, which is a total of \$5.844 million. They are the composite matters that refer to that additional funding on page 10 of the bill.

I have no advice—I am not saying that there is not an element of FTE change—about FTE growth contributing to any of those increases other than the detail I have just provided. FTE growth in agencies is provided on a quarterly basis by the Public Sector Commissioner. The member for Rockingham raised an interesting point this afternoon when he talked about the FTE cap. The member is right. We have had to adjust the cap three times. It has driven me nuts. Why did we adjust the cap? We set the cap based on the FTE figures that appeared in the budget papers 2008–09, which was not my budget. It was the budget we inherited. I do not think that this is a political issue. Government agencies never accurately reported their FTEs. We went through the budget papers and took the FTE for every agency and said that that is now its FTE. The Public Sector Commission takes a snapshot at a period in time and looks at how many people are getting paid to determine FTE numbers. We have had to ask why some figures were low and some were high. Agencies never felt compelled to report an accurate FTE relative to the numbers they had employed. I think that has been going on forever. The total wage bill was divided by some average wage to come up with an FTE figure, which is hopeless. There is a lot more focus in government on FTEs. We have had to adjust the cap three times as the major agencies have fessed up to the fact that their number of FTEs is different. I do not have the data here. If the member for Rockingham wants me to, I am happy to lay it all out because some agencies have historically underreported on their FTEs. We have adjusted the cap a few times. I am more confident that the data we are using in Treasury, which is an average FTE across the year, is reflective of what the Public Sector Commission reports after it takes its snapshot at the end of every quarter. What component of that \$5.844 million comprises FTE growth, I do not know.

**Mr M. McGOWAN:** I refer to the entirety of schedule 2, rather than one particular line item. I am interested in what the cap is now and the total number of staff in the public sector. I would have thought that that was a straightforward question to answer if the analysis had been done. If the Treasurer cannot answer that question, perhaps he could provide supplementary information via the good auspices of his advisor. If he cannot provide that information—I expect he can because he has adjusted the cap—can he provide it by way of supplementary information so that we know the exact number of FTEs?

**Mr P. Papalia:** It was an easy question when he was in opposition.

**Mr T.R. BUSWELL:** I thought it was. I have data on the cap. I do not have it here because such data does not relate to this bill. I am happy to provide supplementary information. I will table information that details the original cap, the changes we have made and the reasons we made those changes. That is the best I can do. I could guesstimate, but I will not. A figure of 101 000-plus comes to mind. I would rather provide the figure that we started at, what we stepped it up to and the reason we had to step it up. The cap will always move because the nature of government is to employ extra staff. The purpose of the cap —

**Mr P. Papalia:** That’s not what you said when you were in opposition.

**Mr T.R. BUSWELL:** It will not increase by thousands, but it will increase; there is no doubt about that. We have demand areas that we must meet. We have employed extra child protection workers, extra schoolteachers and extra people in prisons.

**Mr P. Papalia:** You have employed extra people in prisons.

**Mr T.R. BUSWELL:** There are more schoolteachers; I can give the member a tip on that right now. We have employed extra prison officers because there are demand pressures. The issue is that it is a tool to help manage the rate of growth of public sector wages. It is slowly starting to bear fruit—slowly. The rate of growth of public sector wages this year is well under 10 per cent, and much lower than was the case last year. We have a long way to go, of course.

**Mr P. Papalia** interjected.

**Mr T.R. BUSWELL:** We just deal with it on an emerging basis. I could easily tell the member to put it on notice, but, in the spirit of cooperation that has dominated this debate, I will get him that information by way of data that we will table for him. I hope that we will have that information by the end of this week. If we do not, it will definitely be available and I will table it next week.

**Mr P. PAPALIA:** I refer to schedule 2 on page 12 of the bill that relates to the Minister for Child Protection’s allocation. In the Treasurer’s document, the biggest single line item is for “High Cost Fee-for-Service

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Placements”. I am wondering whether the Treasurer can shed a little light on what sort of high-cost fee-for-service placements they are. Are they the intensive supervision programs or are they the placements on the farms for the really troubled kids? What are they? The amount is \$8 million, and that is pretty significant.

**Mr T.R. BUSWELL:** My advice is that there was an approval of \$8 million of extra funding in 2008–09 to the Department for Child Protection to procure high-cost fee-for-service placements for children in state care from non-government organisations because DCP did not have the capacity within its current residential Perth service.

**Mr P. Papalia:** Are these the ones in the metropolitan area?

**Mr T.R. BUSWELL:** I simply cannot speculate because that is all the information I have. Obviously, there were some high-cost fee-for-service placements. DCP did not have the capacity, and it has gone to third parties to provide those placements.

**Mr P. Papalia:** Is that for supervised housing?

**Mr T.R. BUSWELL:** I assume it is housing and supervision, in line with that high-cost model, because it costs a lot. That is all the detail I have. If the member requires any more detail, he will have to put it on notice to the minister. I am not going to speculate. It is actually a really important area of government, and I do not want to speculate on it or demean its significance by having a guess.

**Mr J.C. KOBELKE:** On page 1 of the 2008–09 papers, under Premier and Cabinet, the final item at the bottom is “Closure of Ravensthorpe Nickel Mine”, \$3 million. Can the Treasurer please advise whom that \$3 million went to, whether it has been spent and what it was spent on? It looks like it was a grant to some other agency, being a rounded \$3 million.

**Mr T.R. BUSWELL:** That is \$3 million that was spent in 2008–09 to assist the Shire of Ravensthorpe with maintenance of local infrastructure and to provide grant assistance for affected small businesses in the region as a result of the closure of the mine. That is basically the data I have. We have approved a total of \$5 million. We spent \$3 million in 2008–09. It was for local government and assistance programs for local small businesses.

**Mr J.C. Kobelke:** It all went through the local government, or —

**Mr T.R. BUSWELL:** No. My understanding—I do not have a breakdown—is that it went to local government for maintenance of local infrastructure and to provide grant assistance for small businesses. Therefore, it would appear, based on this information, that it did go through local government. I suspect that is right, but I could not confirm that.

**Mr J.C. Kobelke:** But local government had multiple purposes on which it could apply.

**Mr T.R. BUSWELL:** Yes.

**Mr R.H. COOK:** Under “WA Health—Contribution to Hospital Fund”, I refer to chemotherapy and radiotherapy outpatient services. The amount not spent in 2008–09 has been carried forward to 2009–10. Does that relate to the delayed cancer centre at Sir Charles Gairdner Hospital; and, if not, what does it relate to?

**Mr T.R. BUSWELL:** I do not have a breakdown of the reason for the deferral. The only data I have available to me states that, in the table headed “WA Health – Contribution to Hospital Fund”, \$10 million was provided over two years to assist metropolitan and regional hospitals to improve facilities and staffing levels to build their capacity to treat cancer patients. I do not know whether that is specifically related to the cancer centre but quite clearly money has been allocated that has not been spent. If the member for Kwinana wants the detail, he will have to ask the minister; I am sorry.

**Mr W.J. JOHNSTON:** I take the Treasurer to page 2 of the document that he has given to us and refer to the Department of the Premier and Cabinet. I have not been in the chamber for the whole evening, so my apologies if I ask a question again that the Treasurer has already answered. I note that \$466 000 is allocated for “Senior Executive Services Redeployees”. I am interested to know exactly what that is for. It appears to be payments to people to do work that was not needed, or something like that. It does not appear to be for the replacement of one senior executive person with another, which would not need an additional allocation. It appears to be some particular expense. At the same time, while I am on my feet and so that the Treasurer can answer the two questions together, I am wondering as well what the cause is of the \$280 000 allocation for the London office.

**Mr T.R. BUSWELL:** My advice is that that is funding that is provided to the Department of the Premier and Cabinet to assist in the transition of senior executives out of the public service. A group of people, for a range of reasons, are leaving and the agencies are not funding them; DCP picks up the funding for a period of time and then they depart. Perhaps it could be termed “funding for the departure lounge”.

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**Mr W.J. Johnston:** And the second part?

**Mr T.R. BUSWELL:** I am sorry, I did not hear that.

**Mr W.J. Johnston:** The \$280 000 for London, directly above the \$466 000.

**Mr T.R. BUSWELL:** My understanding is that there were increased costs for the London office of \$280 000, which covered the Agent General's salary increase, \$50 000 for increased rents and Western Australia's contribution to Australia Week.

**Mr W.J. Johnston:** I am sorry, what is the Treasurer saying the additional costs were for?

**Mr T.R. BUSWELL:** An increase to the Agent General's salary.

**Mr W.J. Johnston:** Yes, that is the question: did the government appoint a new Agent General during that period?

**Mr T.R. BUSWELL:** I do not know, but I know that the Agent General's salary went up, rent and utilities went up and an Australia Week contribution was required.

**Mr M. McGOWAN:** On that same page 2 there is "Funding for Unanticipated Election Costs" of \$8.5 million. I am interested in what that might have been and whether or not that was perhaps the referendum costs. I will seek the Treasurer's advice as to what that is. I have a further question after that, but I will let the Treasurer answer that one first.

**Mr T.R. BUSWELL:** In the allocation of \$8.5 million for unanticipated election expenses, \$7.3 million was for end-of-contract payments to ministerial and electorate offices. I do have a lot of detail on that, but I think I will leave that. There was \$180 000—I have already answered this one—for engaging new electorate staff for new members; \$220 000 for temporary accommodation for four new members of Parliament; \$250 000 to facilitate relevant human resource management processes; \$475 000 for information technology projects; and \$59 000 for air charter flights by the then Leader of the Opposition. I have no further detail.

**Mr M. McGOWAN:** If we look at the major agencies and the document the Treasurer provided us with, most of the major agencies—not all of them, which is a question in itself—have a three per cent efficiency dividend as the offset. Some of the smaller agencies, as I understand it, were not required to put in place a three per cent efficiency dividend as an offset because they were so small that they could not perhaps meet it.

**Mr T.R. Buswell:** Yes.

**Mr M. McGOWAN:** I therefore assume that the Mid West Development Commission and the Great Southern Development Commission were too small and therefore the three per cent efficiency dividend was not applied to them. When we go to some of the bigger agencies such as the Department of State Development, there was no efficiency dividend; nor was there an efficiency dividend for the Legislative Assembly or the Legislative Council. Why would an agency such as State Development not be required to provide an efficiency dividend? Considering that there have been huge problems implementing the efficiency dividend in a number of the agencies, how is the government incorporating a three per cent efficiency into its savings if the agencies have not delivered them?

**Mr T.R. BUSWELL:** I will have to get back to the member on the Department of State Development; I do not have any information about that.

**Mr M. McGowan:** Is that supplementary information?

**Mr T.R. BUSWELL:** Yes. In relation to the challenges, most agencies have pretty much delivered. There have been some issues in some agencies. At the time of the midyear review and at the time of the budget, we reported pretty broadly on achievements against the three per cent efficiency dividend. I suspect that we will have to provide supplementary funding to agencies that have not met their three per cent target, and that will be picked up in the Treasurer's advance tomorrow. By and large, the vast majority of the three per cent has been realised across the majority of agencies, but there are a couple that have not; the member will see that tomorrow. I do not have an answer in relation to the Department of State Development, but I will commit to providing the member with an answer.

**Mr W.J. JOHNSTON:** We are approving \$1 billion in three hours, which is very efficient of the chamber. I am sure that the Treasurer is also very proud of the fact that it is a record for supplementary appropriations. For that \$1 billion, how many additional public sector employees will be employed?

**Mr T.R. BUSWELL:** As I think I have explained, I do not have that detail. What I can provide and have committed to providing is a detailed breakdown of the full-time equivalent cap for the general government

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sector. Public sector numbers are reported quarterly by the Public Sector Commission, and I will have to refer the member to its website for that specific detail. The data I have does not provide that breakdown and I am quite simply not in a position to speculate on it.

**Mr W.J. JOHNSTON:** This goes to the question of the government providing money for 460 redundancies, and now allocating an extra \$30 million to try to encourage a further 300 people to leave the public sector. It appears that the government is laying people off with one hand and employing people with the other. It is not possible for members sitting here today to see whether the government is actually doing what it says it is doing, which is to put them into priority areas.

**Mr T.R. Buswell:** With due respect, I have been careful to try to provide answers and I am providing supplementary information where I can. That is not within the gamut of this bill. If the member wants a detailed breakdown of the number of people in different agencies, the Public Sector Commission produces a report that he can look at, or he can ask questions on notice. I do not have that information in the file notes I have in front of me.

**Mr W.J. JOHNSTON:** The point I am making to the Treasurer is that his view on accountability to this chamber when in opposition was significantly different to his view on accountability to this chamber now that he is in government. Given the bitter and personal attacks he made on the former Treasurer, it seems a bit surprising that he cannot provide what he described when in opposition as simple, basic information. He says that we can ask these questions in another way, but this is record expenditure growth. This is increasing expenditure of the money of the taxpayers of this state at a level that has never before been seen in Western Australia. If this were included in the budget, we would have the opportunity during the estimates process to actually tease these matters out; instead we have three hours to do it. We are trying to do that to the best of our ability. However, quite important information is being withheld from us. The Treasurer proudly talked in the media on a number of occasions about the first round of redundancies that he made. The Treasurer made an announcement recently—last week or last month, or whenever it was—that a second round of redundancies would be made. However, we do not know whether the taxpayers are getting any value out of that. We do not know whether there has been any reduction in the head count of staff. We have no way of checking whether the government is just putting people off on the one hand—probably the people who are the most readily re-employable as we gear up for this booming economy—and is re-hiring other people. That does not seem to be a satisfactory approach. I have heard the Treasurer’s interjection, and I do not know what the Treasurer will say when I sit down. I am sure the Treasurer is very aware of the things he used to say about the obligation of the former Treasurer to provide information to the chamber—if he wants, I can quote it back to him. I was not in the last Parliament, but given that commentary by the Treasurer, it does seem surprising to me that the Treasurer is not prepared to answer what he said were simple questions; such as: how many public servants do we have in this state?

**Mr P. PAPALIA:** I refer to page 10 of the bill, schedule 2, Public Transport Authority of Western Australia. The breakdown refers to the re-cashflow of election commitments for the 20-year transport plan and the better transport system. I am aware that the Orwellian use of the word “re-cashflow” means that it has been delayed. Can the Treasurer give us an indication of when we can expect that to be delivered? I assume that means that it has just been laid aside.

**Mr T.R. BUSWELL:** Yes.

**Mr P. Papalia:** Do you have any indication about the delivery of that?

**Mr T.R. BUSWELL:** No. The member would need to follow that through with the minister.

**Mr M. McGOWAN:** I refer to page 10 of the bill, Treasury and Finance, first home owner assistance, \$137.9 million. That is an administered program. Is that money that the state is administering on behalf of the commonwealth? Secondly, that appears to be a massive increase on what was expected to be spent on the first home owner scheme. Does the Treasurer have any indication of what the funding for the first home owner scheme will be in the current financial year, considering that huge growth?

**Mr T.R. BUSWELL:** That is a good point. Of course the commonwealth introduced the first home owner boost on 14 October 2008. That obviously had an impact into the 2008 financial year, which closed on 30 June 2009. That boost was then extended into the current financial year. It has had a huge impact on the Treasurer’s advance this year, and we will reveal that tomorrow. It is in excess of \$200 million this year. So the short answer is that first home buyers were excited into the market by the stimulus arrangements. We have an obligation to fund that. Some of that funding—the \$7 million to \$14 million, and the \$14 million to \$21 million—is subsequently passed back to us with a lag, but it has had a huge impact on first home buyer activity in Western Australia.

**Schedules put and passed.**

**Title put and passed.**

Mr Mark McGowan; Acting Speaker; Mr Troy Buswell; Mr Bill Johnston; Ms Rita Saffioti; Mr Paul Papalia; Mr John Kobelke; Mr Roger Cook; Mr Colin Barnett

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Leave granted to proceed forthwith to third reading.

*Third Reading*

**MR C.J. BARNETT (Cottesloe — Premier)** [9.10 pm]: I move —

That the bill be now read a third time.

**MR M. McGOWAN (Rockingham)** [9.10 pm]: I will speak very briefly on this bill and then we can get on to the capital legislation; I think we will deal with that in a quicker fashion than we have dealt with this legislation. I appreciate the document that the Treasurer handed to us on the increased expenditure for 2008–09 recurrent expenditure, which details each of the areas where there was an increase in expenditure and then details where there was an offset in relation to that expenditure. The offset meant that there was an increase in expenditure in various agencies, and then there was a reduction in expenditure because of certain matters such as the efficiency dividend.

The legislation basically is authorising the expenditure for the 2008–09 financial year. Various areas have an increase in expenditure and the government has made a saving in various areas. The major forms of saving are the three per cent efficiency dividend and the re-cashflowing, as it is put, or deferral of election commitments. They are two areas of saving, as detailed by this document. As for the three per cent efficiency dividend, the Treasurer has indicated under questioning that some agencies achieved it and some agencies did not. I think that he was referring obliquely to perhaps health and some of the other major agencies that did not meet the saving. Therefore, this document that has been handed out is obviously incorrect. If a saving has not been met and the saving is written into the document, the document and therefore the analysis underpinning it are incorrect, and therefore the totality of the documents that we are dealing with must be incorrect as a consequence. Secondly, the Treasury indicated that the re-cashflowing and the deferral are roughly the same thing, and that it is just that different public sector agencies have written the amounts, and it is a change in spending patterns of the agencies' deferred expenditure into future years. A re-cashflowing of an election commitment from one year to another is a broken promise. If a promise is made to spend the money in a certain financial year and it is re-cashflowed into a subsequent year—or a year after that, or indeed four years hence as some of the re-cashflowings have contemplated—that is the breaking of an election promise. This document contains 20 to 30 of those re-cashflowings, and we will ask further questions about the breaking of election promises in all sorts of agencies, as indicated in this document.

This document validates expenditure under what was virtually the first full year of the Barnett Liberal government. As we know, there was a massive blow-out in expenditure under the Treasurer's advance, which this document validates, and tomorrow we will see what the blow-out in the Treasurer's advance for the current financial year is expected to be. It will be very interesting to see whether the spending patterns and the financial management of this government have improved after its woeful first-year performance.

Question put and passed.

Bill read a third time and transmitted to the Council.