

TREASURER'S ADVANCE AUTHORISATION BILL 2009

Third Reading

Resumed from an earlier stage of the sitting.

MR M.P. WHITELEY (Bassendean) [2.46 pm]: Before lunch I was talking about how extraordinary the debate on the Treasurer's Advance Authorisation Bill was, and I went through a host of reasons why it was so extraordinary. The primary one is the size of the appropriation, at \$1.2 billion. It is the first time that we have used the language of billions rather than millions. However, I was specifically talking about the extraordinary conflict in the explanations given by the Premier and the Treasurer about how the \$35 million extra for the teachers' enterprise bargaining agreement would be funded.

The SPEAKER: I am not averse to members wishing to have conversations, but I would prefer that they have them either very quietly or outside this place. I would like to hear the member for Bassendean, and I know that other people in this place would also. I ask members to respect his right to have his say. If members want to have a conversation, they should have it very quietly or have it outside.

Mr M.P. WHITELEY: As I was saying, I was discussing the conflict in the explanations of how the \$35 million for the teachers' EBA would be funded, and also the \$6.3 million for the behaviour management program. There was no recurrent funding in the \$1.2 billion Treasurer's advance 38-point document that we were given; no recurrent funding was identified at all. The only funding for the Department for Education and Training was \$48.4 million for capital works. Therefore, we asked the Treasurer for an explanation, and he initially indicated that it would be funded out of the three per cent efficiency dividend. Then he went on to say that it probably would not be, because the department was not going to deliver the three per cent efficiency dividend. When we questioned the Treasurer further, we asked him where the money would come from. After umming and aching for a while, he indicated that it would come out of the \$149.3 million for contingencies. When we questioned him even further, he said that it really cannot come out of that contingency fund, because the contingency fund is for unknown unknowns—the things that we cannot predict are going to happen—and that is what that \$149.3 million is for. Of course, the \$35 million for the teachers' EBA is in fact a known figure, so it would not come out of that. Therefore, we were left wondering where the hell this \$35 million for the teachers' EBA, plus the \$6.3 million for behaviour management, would come from, when it obviously was not in the original 2008-09 budget, and it was not identified in the detail that was given to us about the \$1.2 billion. Then the Treasurer gave us a confused explanation about whether it would come out of the contingency funding. The Treasurer was in trouble. He was relieved by the Premier on the pretext of the Treasurer needing a toilet break. If ever there was an outbreak of irritable Barnett syndrome, we saw it last night.

Mr M.J. Cowper: Not again!

Mr M.P. WHITELEY: It tends to repeat on us.

The Premier was asked directly about that \$35 million, and it was put to him that it had come from the efficiency dividend. He said, "Of course not! Do not be stupid!" I will not quote *Hansard* because it is an uncorrected proof, but basically the explanation given was that when salaries are 80 per cent of the budget, a six per cent pay rise could not be paid out of the three per cent efficiency dividend—and one would have to be an idiot to think it was possible because the quantum would not be enough. Obviously, the argument is that three per cent of 100 per cent is not as much as six per cent of 80 per cent.

When we burrowed down into the substance we found that, in fact, the projected three per cent saving from the Department of Education, was \$45.6 million, which is \$10.6 million greater than the quantum of the \$35 million extra for the teachers' enterprise bargaining agreement. The Premier jumped into the debate boots and all saying, "Don't be so stupid. How could it possibly do that?" He immediately undermined the Treasurer's position, not just by taking the chair at the table, but also giving conflicting advice. He then got it wrong, because the three per cent dividend that was projected—although it is not going to be delivered; it is the imaginary three per cent, the theoretical three per cent dividend—was in fact \$10.6 million greater than the \$35 million extra for the teachers.

I suggest if the Premier thought about what he had said and used his brain instead of his mouth, he might have thought it was obvious that part of the teachers' pay rise would have been included in the initial budget and the \$35 million is not funding the full six per cent, it is probably funding the additional two per cent or whatever the figure was that the six per cent increase represented above the projected government wages policy. In fact, it was probably funding two per cent or two and a half per cent. However, the Premier jumped in boots and all and said that anybody who suggested that was a bit of a moron—including his own Treasurer—and dismissed it out of hand.

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I think that eventually it even dawned on the Premier that he had erred in his ways, and he tried to backtrack. He did not backtrack in a way that was cooperative; he said that \$1.2 billion was a global figure and it was not possible to answer questions about where this money came from and so I repeatedly asked him the obvious question: the appropriation money can come from only two places, either from the original budget or from the Treasurer's advance. The appropriation has to be in there somewhere, so I asked the Premier in which document it could be found. Again he said, "Well, do not be so silly because you will find out about that in next year's budget." I thought that was a bit weird; yes, there will be figures that give an actual estimate of what was spent last year, but it still has to be appropriated this year. If it is not in the original budget, which obviously it is not—that \$35 million is not in the original budget because that was the Labor government's budget.

The Liberal and National Parties are now in government and the Treasurer's advance will fund some of the changes they have put in place; therefore, it must be in the Treasurer's advance, but the Premier said that it was not. What are we left with? Where is the extra \$35 million for the teachers' EBA and another \$6.3 million extra for the behaviour management money, which is not in the detail of the \$1.2 billion? Where is it? Is there a bucket of money that comes from somewhere else? The Premier dismissed that as nonsense and said out of hand, "No, it is not."

That is an example of the problem that will lead to the downfall of this government: that arrogance and incapacity to deal with the discipline that is required to run a tight ship financially. I think that will be the decline of this government.

The other issue that I wanted to talk about in some detail was the very first item that appears on this four-page, 38-dot point summary sheet from the Treasurer. I asked whether the \$3.1 million would fund the entire wage increase. The Treasurer was all over the shop about that. Then members on this side asked some questions about the effect of the three per cent efficiency dividend on the Department of Agriculture and Food's funding. The Treasurer eventually conceded that the increase in wages—after I did the maths for him; and even with the help of two advisers he did not give me a figure—given that the only line item identified was a GA4 wage increase and the \$3.1 million figure did not actually take account of the extra \$2.7 million that had been delivered as an efficiency dividend by the Department of Agriculture and Food, must be \$5.8 million. Then I asked the Treasurer for the total projected wages budget in the original budget. From memory, the answer was \$93.9 million. The question had been asked earlier by the member for West Swan, I think, but I also asked whether there were any extra staff employed by the Department of Agriculture and Food. He said that no extra staff were employed. That original \$93.9 million, which had been expanded by an extra \$5.8 million, would have included provision for the government wages policy, so it would have had a three to four per cent increase built into it. It was left to the Treasurer to explain, over and above that, a \$5.8 million increase, which is roughly a six and a half per cent increase over and above the percentage increase that was in the wages policy. The Treasurer could not explain that.

I would suggest that when the Treasurer comes into this place that it is his job to be across the detail. I have only had one experience sitting in the chair at the chamber table, and that concerned the Biosecurity and Agriculture Management (Repeal and Consequential Provisions) Bill 2006, which had 180 clauses. When I came into this place, I had been briefed by the staff. I knew the basic outline of the bill and I had briefing papers on every clause so that I could respond. I did so to the best of my ability without incident and without the sort of confusion that came about last night with a three-clause bill.

Mr P. Papalia: It was a lazy opposition!

Mr M.P. WHITELY: Possibly—no, they put me through my paces!

What I am saying is that the Treasurer needs to do some homework and to have the detail with him. This is not a difficult bill; it has only three clauses and 38 line items. The Treasurer should have had sufficient detail to answer questions. It was extraordinary that the Treasurer could not explain where this extra six and a half per cent had come from. We did not burrow down into as much detail with all the other GA4 wage increases, but similar questions remain. We asked the Treasurer whether he could provide the detail in those wage increases: were they for extra staff or for unexpected wage increases over and above the government's wages policy; and, if so, how much was accounted for by each of those possible explanations?

The debate brought home to me the message that this government, this Premier and this Treasurer do not have control over the state's finances. They do not know the detail of the state's finances that is required. I would like to get some information from the Treasurer on a couple of outstanding questions—if he is in the building even, as he is certainly not in the chamber. I cannot imagine the now Leader of the Opposition, the former Treasurer, not being in this chamber for debate on the Treasurer's advance.

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There are questions about the GA4 wage increase for the Department of Agriculture and Food and there are questions about the amounts of \$35 million and \$6.3 million. Which of the explanations offered by various spokespeople, including the Premier and the Treasurer, and which of the explanations offered by the Treasurer alone, are correct? How will the increase be funded? An important question that I did not get a chance to ask because debate was gagged last night followed from an issue raised by the member for West Swan. What about the royalties for regions money? If it is not going to be spent, will it be reallocated? Will we see a mad dash to spend \$337 million over the next two months on goodness knows what?

Mr D.A. Templeman: A stadium in Widgiemooltha!

Mr M.P. WHITELY: Hastily erected, I would suggest!

What conclusions can be drawn from all this? The government is faced with challenging financial circumstances, and it does not have the character or discipline to face those circumstances. To go back in history, the Court government delivered deficits in five of its eight budgets. It inherited the legacy of WA Inc, and I acknowledge that; that was poor. Nonetheless, this government will not have the options available to it that the Court government had to protect Western Australia's AAA credit rating. It will not be able to flog off the farm. It will not be able to sell off Alinta and engage in privatisations. It needs to display financial discipline, and I do not think it has the character, the intellect or the ability to do so. I think the honeymoon it is currently enjoying will come to an abrupt end. The Achilles heel of the Barnett government is its financial incompetence, and we have seen it on display throughout this debate.

MR W.J. JOHNSTON (Cannington) [3.01 pm]: This has been an extraordinary debate, because it is an extraordinary bill. One of the low points of the debate was the contribution from the Premier, who basically said, "You're only the Parliament; why would you be interested in how we spend \$1.2 billion of taxpayers' money? What impertinence for the Parliament to think about how that money is being spent!" That was the position the Premier put to us yesterday during his sojourn into the chamber to knock the Treasurer out of his chair and to participate in the debate.

[Quorum formed.]

Mr W.J. JOHNSTON: It was a very interesting contribution by the Premier about the \$1.2 billion of public expenditure. I say again that there is a very important issue involved: the primacy of Parliament over the executive. The argument by the executive that the Parliament should not consider expenditure not only is the height of arrogance but also shows a complete misunderstanding of the system of government we have in Western Australia. It reflects very poorly on the Premier if he does not understand that it is actually Parliament that makes final decisions, not the executive. This bill is an attempt to provide \$762 273 480 to the government for additional expenditure. That is 224 per cent more than was requested by the previous government through a similar bill in March 2008. The present Treasurer was then Leader of the Opposition, and when Parliament was in session, he would personally abuse on a daily basis the then Treasurer and current Leader of the Opposition about alleged incompetence. He claimed that the Treasurer's advance brought by the previous government was an outrage, and that problems would arise from what he regarded as an incredible level of uncontrolled expenditure. The same person has this year walked into this chamber and asked Parliament for 224 per cent more money than was asked for last year. That is an extraordinary position. I will not suggest that the Treasurer is a hypocrite, because that would be unparliamentary.

An opposition member interjected.

Mr W.J. JOHNSTON: Maybe he is a damn hypocrite!

Clearly, the Treasurer says one thing, but his behaviour indicates something different. People can draw any conclusion they want to from the Treasurer's behaviour, but he says one thing and does something else.

I was also pleased that the Premier joined us from the bar last night; I think it was very good of him to do that. We had an extraordinary exchange over the question of whether \$35 million is more or less than \$43.7 million. The Treasurer had clearly explained that \$35 million is less than \$43.7 million, but the Premier arrived to explain that the Treasurer was wrong, and that \$35 million is actually more than \$43.7 million. Having made that answer a couple of times, he then actually listened to his Treasury advisers, who explained to him that he was wrong, and that \$43.7 million is greater than \$35 million. He then acknowledged those facts, but did not point out that the inevitable consequence of those facts was that his earlier contribution to Parliament had been incorrect. That reflected the arrogance of a Premier who does not respect the processes of Parliament. This is a very important issue. On so many occasions the Premier has rejected the authority of Parliament and has claimed that the Parliament was a hindrance to the operations of government, without actually understanding that that is not the case, and that the Parliament, rather than the executive, is in fact the supreme part of the pyramid of government

Extract from Hansard

[ASSEMBLY - Wednesday, 1 April 2009]

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in this state. It is essential for the Premier to understand that, so that he can pay proper respect to every member of this Parliament and to the institution of Parliament.

We did not get around to asking a number of questions because the government gagged debate. On 22 March, during the second reading debate, the Treasurer alleged that \$158.5 million of the Treasurer's advance related to decisions made by the former Labor government, rather than decisions made by the incoming minority Liberal-National government. The only problem with his contribution is that it is not indicated anywhere in the four pages he provided to us. Because the debate was gagged by the government, the opposition never got the opportunity to ask the Treasurer to explain why there is no justification for his assertion about the \$158.5 million relating to the former government in the documentation he provided to Parliament. The only thing that might relate to the former government is the GA4 wage increase, but that was explained by the Treasurer to be worth \$33.4 million, which is not \$158.5 million. Even the Premier, I am sure, can understand that \$33.4 million is less than \$158.5 million, so we were never able to get the Treasurer to explain his commentary. I would welcome his explanation for how he can assert that when he cannot provide any evidence to support that assertion. There was also \$150 million fat on the bacon—\$150 million without explanation. If, as I suggested in my contribution to the second reading debate, this is in fact the expected blow-out in the government's inability to implement the three per cent efficiency dividend, I am happy for the Treasurer to explain that because, as I said, that is what I expected and I still do.

Not only that; it is also interesting to reflect on what is not in this bill. As the Treasurer explained to us yesterday, no additional nurses are provided for in this bill. The government can find \$1.2 billion extra to spend on government activities here in Western Australia but cannot find one dollar to employ extra nurses. That is again an example of how the incoming government is simply endorsing the activities of the outgoing government. It is simply saying that the outgoing government got that issue right; we do not have to change what it did. Let us face it, the government is not employing extra nurses through this additional appropriation because the outgoing government got the number of nurses right in Western Australia. We also found out from the Treasurer that he is not using any of this \$1.2 billion of taxpayers' money to employ additional teachers. No additional teachers are being funded by this appropriation. Again, the government is saying that the former government got the number of teachers in Western Australia right, and the allocation made in the budget in 2008-09 was correct—that is, a sufficient number of teachers have been employed in the system in Western Australia. That, again, is very good commentary from the incoming government.

Because the debate was gagged, I was unable to ask questions about WA Police because, again, there does not appear to be any additional expenditure in this \$1.2 billion for even one additional police officer. Again, the incoming government says, "Yes, the former government got it right; the former government engaged plenty of police for this state, and we don't have to add even one police officer to the roster of WA Police because the outgoing government got that matter right as well." What I always find interesting about this Treasurer's Advance Authorisation Bill is not what is in it, but what is not in it. We can compare what the government is prepared to spend its \$1.2 billion additional funds on and what it is not changing with what it is endorsing of the former government. This bill does not give us a financial plan for the new government to explain where it is going in the future. Another thing we do not have is the government's plan to deal with important issues such as the growth in debt in this state. Of course, this bill deals only with the current financial year. I am not suggesting that it deals with future financial years, and I understand that the budget will be brought down and, later, we will be able to see what is occurring for future financial years. However, the additional debt the government is taking on this year in additional expenditure for operating expenses and, therefore, a lower surplus means that the state is less prepared for the future because its debt level will be higher. That will cost the state in the future, so whether the state goes into deficit in the current financial year is not even an issue. I cannot imagine it will go into debt because I do not think even the new Treasurer could so quickly blow the inheritance he received from the outgoing Treasurer, the now Leader of the Opposition. But, of course, every dollar he takes out of the projected surplus is an extra dollar he will have to borrow for capital works, resulting in higher debt levels in the future.

During his term in opposition, the current Treasurer lectured the former Labor government about expense control. The Parliament was told on numerous occasions by the then shadow Treasurer of the waste, fat and excess in government. However, he comes to this chamber now saying, "Apart from the three per cent efficiency dividend, I can't find savings in recurrent expenditure; I can't even find the three per cent efficiency dividend in a number of departments." Where is the rhetoric today of last year? Last year when he had no control over the finances of this state, he was very happy to explain how everything was out of control and the state was drifting to disaster.

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The ACTING SPEAKER (Mr P.B. Watson): Order! Before the member for Victoria Park and the member for Rockingham walk between the Chair and the member on his feet, they must acknowledge the Chair.

Mr W.J. JOHNSTON: Now that the Treasurer has control, he cannot find the savings that he said were so easy to find. His private sector knowledge, understanding and business acumen that he could apply to this task is absent. His words are shown to be just rhetoric. It is not just what is in this bill that concerns me; it is also what is not in the bill. It reflects an extraordinary situation in which the government wants to spend \$762 million, 224 per cent more than was asked for last year. The Treasurer provided four pages of notes and the Premier said, "I don't care; that was a mistake, we should not even have given Parliament that very small amount of information; members should simply cop this because we should not have to be accountable to the Parliament for the expenditure we are proposing."

As the Premier said last year, supporting a bill of this nature in no way reflects on any sort of credible performance by the Treasurer. I echo the Premier's words from last year: the Labor Party's vote in favour of this legislation is no endorsement of any sort of credible performance by the Treasurer, because it is not. This is lazy government. The easiest thing in the world to do is to throw money at problems. The easiest thing in the world to do is to add expenditure to other expenditure and not do the hard work that is required of a government to ensure a secure budget. Can the Treasurer explain, when the global financial crisis may impact on our future ability to spend taxpayers' money, because we might have future budget issues, why ramping up expenditure in the current year is somehow sound financial management? We are talking about ramping up not capital expenditure but recurrent expenditure. I asked last night for confirmation about the level of capital expenditure. At page 15 of the *Government Mid-year Financial Projections Statement* it explains that there is only around \$23 million of additional capital expenditure envisaged by the government. Whatever reordering of capital priorities the government has, the net effect of that for additional expenditure is only \$23 million. The government cannot argue that it is okay to spend \$1.2 billion because it is building the capital infrastructure of the state, because that is not true. All it has done with capital works is add \$23 million in expenditure and reorder some priorities. The Premier can argue that this priority is more important than that priority. That is a matter of judgement, and just because he asserts it does not make it true. The fundamental issue is that there is virtually no additional capital expenditure to assist the state to deal with the problems it is facing due to the global financial crisis. All we are being asked to do is to approve a very large additional recurrent expenditure in the current financial year. It is an unprecedented level of expenditure. The expense growth rate is 13 per cent. That is a much higher percentage than when the member for Belmont was Treasurer. The current Treasurer used to provide a daily personal critique of the former Treasurer's abilities. The current Treasurer is now going further by spending more without providing an explanation to the people of Western Australian.

The ACTING SPEAKER (Mr P.B. Watson): Order, member for Kalgoorlie! The Speaker spoke to members today about having mobile phones in the chamber.

Mr J.J.M. Bowler: I am taking a number out of the phone to give to another colleague.

The ACTING SPEAKER: The member can do that outside the chamber.

Mr W.J. JOHNSTON: The royalties for regions policy was clearly endorsed by the people who live in regional Western Australia. The new government will follow that policy and it will be a major and important part of the election campaign in four years' time. However, that is not to say that that endorsement gives the government a blank cheque to waste money. Last year the now Premier pointed out in Parliament that to ask for an enormous amount of money in the last three months of the year was unprecedented. We are now being asked to endorse expenditure of \$337 million on the royalties for regions scheme, yet there is no clear indication that the money will be expended by the end of the financial year or that the policy that was established for that expenditure will be met. Nor is there a clear indication of who will receive the money. For example, we still do not know who will receive the regional fuel card, for which \$20 million has been allocated. The days are ticking down now and no explanation has been given of what will happen to that money. It would be a travesty not for me, because I live in the metropolitan area, but for the people of rural and regional Western Australia if the government were to say that it had spent one-quarter of the royalties for regions money—\$337 million—meeting its election commitments but that the money had not benefited the people in the regions. Every government is capable of wasting money and spending money on projects that will have no benefit for the community. The process by which this government wants to spend the \$1.2 billion is an example of how this type of inefficiency is built into government projects. That is the fear which Western Australians have about the government's royalties for regions program and which they express to me regularly. The government has not done its homework. It is not ready for this expenditure. It has not thought through what it is doing. Again, because the gag was applied last night, we were unable to properly examine what the \$1.2 billion that the executive is asking Parliament to provide is to be used for. That is very important to understand.

Extract from *Hansard*

[ASSEMBLY - Wednesday, 1 April 2009]

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I will move to the last part of my contribution. As I said, one of the most interesting things about this bill is not what is in it but what is not in it. The bill basically represents an endorsement of the former government's budget strategy. Because this government's expenditure will go much further than the former government's, it will put pressure on the out years. It will be very interesting to see what will happen in the future. The government will end up with a crunch and will be forced to take radical action. Members opposite will have to come to terms with the fact that programs will be cut to pay for the out-of-control expenditure in this current financial year. Members opposite will have to understand that their ability to deliver services in their electorates will be reduced by the passage of this legislation. All it does is add \$1.2 billion on top of the expenditure that was planned by the previous government. It adds \$1.2 billion on top of the budget strategy of the former government. The midyear review explains that the 47 per cent net debt to revenue ratio will no longer be adhered to because of the out-of-control spending by the Treasurer in this current financial year. The government cannot argue on the one hand that expense growth of 11 per cent is unsustainable and too high and argue on the other hand that expense growth of 13 per cent is what is really needed. That is neither credible nor sensible. It will have an impact on every Western Australian and on the state's ability to deliver for the community in the future.

MR P. PAPALIA (Warnbro) [3.26 pm]: In rising to speak on the third reading of the Treasurer's Advance Authorisation Bill 2009, I am sensitive to the criticism that has been made about the degree of repetition that has occurred throughout the debate. Nevertheless, it is essential to repeat and to record in *Hansard* some of our concerns which were raised last night and in the early hours of this morning before the debate was gagged by the government. To that end, I intend to focus on and reinforce my concerns about a couple of specific matters that I raised with the Treasurer last night.

On a number of occasions last night it was suggested that expenditure would, in some cases, far exceed the amount suggested in the Treasurer's advance, and it also became very clear that the bill should be scrutinised to ensure that all potential savings were identified and utilised by the government. The need for that rigorous undertaking became clear when the member for West Swan identified some \$40 million worth of savings over two specific areas in the four-page document that was presented by the government. The Treasurer had not even identified them until he was assisted to do so by the member for West Swan. I am glad that she was able to assist the Treasurer in identifying that saving. Hopefully, many similar benefits of that nature will be identified as a result of the debate that we have undertaken. Like the shadow Treasurer, I congratulate the Treasurer on his initiative to approach the Public Accounts Committee to seek a recommendation about how this process can be streamlined and made more efficient and transparent for the benefit of the taxpayers of Western Australia. I commend him for taking that initiative and trust that he will be open to the, no doubt, many and productive ideas that will be suggested to him by the committee.

The areas about which I have particular concerns and on which I spoke last night specifically concern the Department of Corrective Services. As the shadow Minister for Corrective Services, I noted in the four-page addendum to the bill that was presented by the Treasurer that only relatively minor amounts of money are to be allocated for Corrective Services. However, a number of questions were raised in my mind.

I felt, in discussing those questions with the Treasurer, that I was quite justified in having some concerns about the explanations provided for the line items, particularly for the increased prison population and the general agreement 4 wage increase. I did not have any particular concern with the GA4 wage increase. However, the increase in the prison population led me to ask on what figures the projections for the increase in the prison population were based. I am aware, as is the Minister for Corrective Services, that there are some fairly rubbery projection figures for the impact of the changes to the sentencing legislation that were passed recently by the government. The modelling done by the department on the increase that would result from that legislation appears to be fairly flexible. We were given an indication that the increase in the overall adult prison population would be in the order of 604 prisoners over five years. It has become evident since those figures were provided to me in response to questions on notice in early November, at which time the prison population was about 3 900, that the prison population has risen, as I have been told by the minister, to 4 088. I thought it was 4 086, but the minister has assured me that two extra prisoners were added to the tally last night. It is on record that what is termed the emergency capacity for our prison system, which basically consists of double-bunking just about every prisoner who can be double-bunked, accounts for a capacity of 4 100. If we bear those figures in mind, it becomes of great interest that \$9.1 million has been attributed to an increase in the prison population and wage increases. I asked the Treasurer how much confidence he and Treasury had in the projection for the increase in the prison population that was provided by the department. I did not really get a confident response from the Treasurer. He acknowledged that the figures were rubbery, as did the Minister for Corrective Services who was sitting behind the Treasurer at the time. That is of great concern. I understand that this is not the budget process; this is not the time to go through items line by line. However, I note the potential impact of utilising inaccurate figures and modelling, and I thought it was worth raising again the concerns I have about the

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projections that have been utilised to request an additional \$9.1 million. My concern is that we have not asked for enough in that area, but I have voiced my concern in that regard.

My other concern in the area of corrective services, which I raised last night but I was stymied on a number of occasions in my consistent attempts to elicit some degree of specific response from the Treasurer on behalf of the Minister for Corrective Services, is how the government arrived at a figure of \$7.5 million for —

[Quorum formed.]

Mr P. PAPALIA: I had intended to refrain from passing comment on the absence or otherwise of the Treasurer from the chamber, but I feel compelled to note that he is still not in the chamber. He is therefore being deprived of the benefit of my insights into the possible oversights or excesses that may have occurred in the Treasurer's advance. Nevertheless, I have great faith that the Deputy Premier, the Leader of the Nationals and the Minister for Sport and Recreation will convey any jewels of knowledge to the Treasurer.

I was getting to the second part of my concerns in the area of corrective services. I know that this is not the budget process; we are not going through items line by line. However, I am concerned that that area has been allocated only \$16.6 million in the Treasurer's advance, of which \$7.5 million is for planning for prisons that were promised as part of the Liberal Party election campaign. I understand that that is a fair thing. The Liberal Party made some promises. However, I sense that things have moved on since the election promise was made about the new medium-maximum security prison in the metropolitan area, which was included in the *Government Mid-year Financial Projections Statement*. It is not that the government will not construct this prison. The member for Kalgoorlie might be interested in this issue. I am sure that the government has a plan for a new medium-maximum prison facility. I commend the Minister for Corrective Services for pushing that agenda. However, I suggest that the 350-bed facility be located where I think it should go—that is, in the eastern goldfields—to allow the 200-plus Indigenous prisoners who have been removed from their families and support structures and who are housed in metropolitan prisons to be moved back to the eastern goldfields. That is why I support the member for Kalgoorlie in his call for that prison to be made a priority. An amount of \$1.2 million was spent by the previous government on planning and preparing for that prison facility to go ahead. If that is the likely location of the next medium-maximum security prison, some potential savings could be made because that money has already been spent on the planning process to get ahead of the game. If, however, this money is intended to be allocated to expand capacity at Acacia Prison, which is another alternative—I understand that it is imperative for the minister to try to house the ever-growing prison population that he has pretty significantly contributed to recently—potential savings could be made. The footprints for the additional units at Acacia Prison have been planned. There are blueprints of those buildings. Design work has been done. Therefore, I must question whether the amount of money allocated for planning those prison facilities is anywhere near appropriate; and, if it is not, that is fine.

However, I wanted to state on the record that I am a little concerned with some of the modelling that has been done and the projected costs that have been provided in the area of corrective services. Perhaps my concerns will elicit a little more scrutiny by the Treasurer on behalf of Western Australian taxpayers. That is why members are in this place and that is what this debate is all about—to scrutinise the biggest quantum of a Treasurer's advance in the history of this state. I am told that it is a 224 per cent increase on last year's request by the then Treasurer, the now Leader of the Opposition, which was criticised vehemently by the man now entering the chamber, the now Treasurer, who took every opportunity to portray the then Treasurer as being profligate with taxpayers' money, but he was a miser in comparison with the man who is now responsible for taxpayers' money.

That leads me to my other area of concern, and it is perhaps appropriate that I talk about this at this stage. I could possibly be unkindly accused of repetition and of straying from the debate, but I pointed out to the Treasurer last night, and he acknowledged, that the first six months worth of royalties for the regions money will not be scrutinised, will not be subject to debate and will not be subject to detailed, fully informed deliberation by the house on behalf of the taxpayers of Western Australia until such time as the Treasurer provides the appropriations for royalties for regions. He has very kindly undertaken to try to get those —

Mr T.R. Buswell: It's the same for all the Treasury items.

Mr P. PAPALIA: Hang on a minute! The Treasurer knows that this one is a little different. It will not be in the next budget—he knows that, too.

Mr T.R. Buswell: Of course royalties for the regions will be in the next budget; it's not a six-month program!

Mr P. PAPALIA: This \$337 million allocation we are talking about is not —

Mr T.R. Buswell interjected.

The ACTING SPEAKER (Mr P.B. Watson): Order! Treasurer!

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Mr P. PAPALIA: In retrospect we will be able to see what the Treasurer spent it on.

Mr T.R. Buswell interjected.

The ACTING SPEAKER: Order! I call the Treasurer to order for the first time.

Mr P. PAPALIA: I thank the Acting Speaker for his protection; I feel threatened by the large and loud one from Busselton.

Mr T.R. Buswell: Well, I've never suffered an oxygen mix deprivation whilst at depth!

Mr P. PAPALIA: Do not distract me, Treasurer!

As the Treasurer conceded last night, this will be the only opportunity prior to some time in June when we will hear about where the Nationals have spent all this money. This is the only opportunity we will have —

Mr T.K. Waldron: I think you'll find it's in the regions!

Mr T.R. Buswell: I do not want to incur the wrath of the Acting Speaker, but I am asking for an interjection. It is my understanding that when the budget is handed down on 14 May and when the consideration in detail is held, these items will be called to account in terms of an estimated annual spend for the 2008-09 year. At that time, in about eight weeks—two weeks after the budget—we will have all the departmental people in and you can ask them questions about actual spend for this year.

Mr P. PAPALIA: I have no doubt that at that time they will tell me that the money has only just been given to councils, or it has only just begun to be distributed; therefore, we will not be able to find out what they will be spending it on. I am thankful to the Treasurer for making the commitment last night to include the expenditure for this \$337 million line by line. He promised that last night, and it will be in *Hansard*. We were very thankful for that commitment —

Mr T.R. Buswell: Just like it's in the —

Mr P. PAPALIA: No, no, the Treasurer said that every single item of expenditure the Nationals are committing to on the government's behalf —

Mr T.K. Waldron interjected.

The ACTING SPEAKER: Order, member for Wagin!

Mr P. PAPALIA: I must say that the Treasurer appears to be taking very little responsibility on behalf of the taxpayers of the state. As I indicated last night, I feel concerned that the Treasurer has not really had much involvement and has devolved a lot of the responsibility for the management of this significant amount of money—the biggest single component of the advance he is asking for—to the Minister for Regional Development. That is fine, the Treasurer trusts him, but the opposition is operating on behalf of the taxpayers of Western Australia. It is essential, and we are duty bound, to ensure that we elicit every possible bit of information we can about where the Treasurer intends to spend this money and how he intends to ensure that it will not be wasted.

Last night I asked the Treasurer about the management of that money—specifically the country local government fund—and how he has managed to satisfy himself, on behalf of the taxpayers of Western Australia, that it will be distributed to councils who are capable of meeting appropriate fiscal responsibility measures in regard to the expenditure of this money. I note, of course, that the government's own minister has called into question, in a very public manner, the ability of many councils around the state to operate in a sustainable and efficient manner. I would not have thought it was outrageous or inconsistent of me to say, “Hang on a minute” to the Treasurer. On the one hand I have been told by the Minister for Local Government that a large number of these local governments around the state are so incapable of operating in an efficient manner that they have to be forced together to somehow magically make them more efficient and sustainable, while, on the other hand, the Treasurer is intent upon delivering \$100 million to 110 country local governments. I assume that many of those—the Minister for Local Government will not divulge whom he has in his crosshairs—are those the minister believes need to amalgamate, except for the Monaco of Western Australia; Peppermint Grove —

Mr T.K. Waldron: No royalties for the regions money is going there!

Mr P. PAPALIA: Every other one will get some. The government will give country local governments \$100 million in the next three months, and the opposition does not get to analyse or ask questions about where that money will go and how it will be managed —

Mr T.K. Waldron: Come down; we'll show you!

Dr K.D. Hames: Come down to Mandurah and I'll show you!

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Mr T.K. Waldron: Don't get lost! Once you get over that hill, be careful! You've got to turn right!

Mr P. PAPALIA: I can go to the boundary of Singleton and I can look down the road and see the country. As members know, I can see a council that is eligible for the country local government fund, so it is not that far away from me. I must admit, I am a little envious on behalf of my constituents, because I know that the outer metropolitan suburbs of this city are wondering about what is in it for them —

Mr T.K. Waldron: I know how local governments spend money —

Several members interjected.

Mr P. PAPALIA: No, I am not; he is.

The ACTING SPEAKER: Member for Rockingham, I asked you before to acknowledge the Chair when you walked into the chamber. I call the member for Rockingham to order for the first time.

Mr T.K. Waldron: Quite often decisions are made with all good intents and purposes, but actually a lot of money gets wasted. One of the ideas of royalties for regions is to make local decisions. There might be the odd one that does not work out, I acknowledge that, but generally I think the money will be delivered to where it should go, which is the whole idea.

Mr P. PAPALIA: Nice speech! I take the opportunity to say that the sentiment behind royalties for regions is a good one. The opposition supports it. However, the government would concede that it is beholden on the opposition to question and focus on the —

Mr T.K. Waldron: You're just doing it at the wrong time, that's all! It's just the wrong time to do it!

Mr P. PAPALIA: — equity, efficiency and probity of the distribution of that money.

Mr T.K. Waldron: That's fair enough—just pick the right time and you'll get all of it.

Mr P. PAPALIA: This is the time when the regions are about to get \$337 million, so why should it not be the time that we ask a few questions and record our concerns about the distribution of this money on behalf of Western Australian taxpayers?

Having covered those two areas that are of particular interest to me, I could easily be tempted to stray into some of these other line items, such as the infrastructure build for education and funding for the Western Australian police force. I have identified that there appears to be some significant problems with government management of projects in my electorate that were well underway and were fully budgeted, and were in not only the forward estimates, but also this year's budget. Somehow they appear to have been put on hold. I note that there have been requests by the Treasurer for a Treasurer's advance in those two particular areas. I should have asked him about those projects in my own electorate, but I will not do that.

I will finish by joining in with the observation of the many other members who have spoken during this debate and talked about the humiliating and embarrassing treatment of the Treasurer of this state by the Premier of this state last evening.

I was embarrassed on behalf of the Treasurer. I like the Treasurer. Not many members would stand up and say that, but I do.

Mr V.A. Catania: Shame on you!

Mr P. PAPALIA: Yes! My wife criticises me for that, but I do. I like him. He is a funny fellow. He is entertaining. If ever a horrible accident should befall the Treasurer and for some unforeseen reason he should have to move from this place, everyone knows, and I would be the first to acknowledge, that he has a future as a clown in Cirque de Soleil. He is capable. He is skilled.

Mr D.A. Templeman: He is witty!

Mr P. PAPALIA: Yes.

The ACTING SPEAKER (Mr P.B. Watson): Order, member! Would the member speak to the bill, please.

Mr P. PAPALIA: I am sorry, Mr Acting Speaker. In reference to this unparalleled Treasurer's advance—this unprecedented \$1.2 billion Treasurer advance—I must make the observation that the Treasurer will have another occupation waiting for him when he leaves this place. He is skilled, and he is acknowledged as —

Mr D.A. Templeman: Mr Bubbles!

Mr P. PAPALIA: No. I would never say something like that!

Last night, the Treasurer was performing admirably in light of the questioning that he was being exposed to and the duration of the inquisition by the opposition on behalf of the taxpayers of Western Australia, as is its duty to

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undertake. He was performing admirably. However, he was rudely interrupted by the Premier, who in a petulant fashion forced him —

Mr D.A. Templeman: Elbowed him!

Mr P. PAPALIA: Yes—elbowed him out of the way and forced him from the chamber. When the Treasurer finally slunk back into the chamber and sat behind the Premier, he was forced to endure an embarrassing series of gaffes by the Premier, who had pushed him out of the way on the pretence that he knew better and would be able to deal with us better. Unfortunately, the Premier came undone. I would like to record my support for the Treasurer in this case, and my disappointment, along with the shadow Treasurer, at the behaviour of the Premier last evening. It was beneath the Premier of this state, and I hope he lifts his game.

MR V.A. CATANIA (North West) [3.52 pm]: I rise to make a few comments on the Treasurer’s Advance Authorisation Bill. We are talking about a Treasurer’s advance of \$1.2 billion. I find it absurd that in this current financial crisis, when governments around the world are having vigorous debates in their Parliaments about the moneys they should be spending, this government is asking us to sign a cheque so that it can spend \$1.2 billion of taxpayers’ money. I say that particularly given that one of the problems that has caused this financial crisis is the lack of scrutiny that has existed within our financial markets and within governments.

I am sure members are aware that a lot of people in our community are trying to buy a house. However, when those people go to their banks, the banks are saying, “Hang on a moment while we check you out.” The banks used to just sign people up—no worries. At the moment, they are making people go through a whole lot of tests to ensure that they are capable of repaying their loans. Everyone else in the community is required to undergo scrutiny and cross all the t’s and dot all the i’s. Why is this government different? I do not know. Last night, the Treasurer could not answer any of our questions about why this \$1.2 billion Treasurer’s advance is so urgent and how this \$1.2 billion will be spent.

Last night I asked some questions about some of the moneys that have been allocated under the various portfolio areas. I have been looking at all the commitments that were made during the election campaign for the seat of North West. I found it interesting to see the item under “Health” for contribution to hospital fund, health service salaried officers wage increase, and election commitments. During the election campaign, the then Leader of the Opposition and now Premier came to Karratha with the Liberal candidate for the seat, Rod Sweetman, a former member of this house, and made an announcement. I can tell members that the Liberal Party made very few announcements during the election campaign in the seat of North West. The Liberal Party announced that a Liberal government would allocate \$10 million for Nickol Bay Hospital to address the chronic under-funding of Pilbara health services. That was very welcome in the community—every dollar that comes into the community is welcome. That was followed up by press releases from the Liberal Party. The Liberal candidate, Rod Sweetman, also sent out some direct mail. The Liberal Party tried really hard to win the seat of North West, but it failed. One of the dot points in that mail-out told the people of the seat of North West that they deserved better; a Liberal government would allocate a \$10 million rescue package —

Point of Order

Mr R.F. JOHNSON: Mr Acting Speaker, under the standing orders, the third reading debate is a very constrained debate. It is constrained to what was said and what happened during the consideration in detail stage. My good friend the member for North West has strayed very much into other areas. In a third reading debate, members are not allowed to bring in new material, which is what the member is doing today.

The ACTING SPEAKER (Mr P.B. Watson): Order! I take the member’s point of order. A third reading debate is not as wide ranging as a second reading debate. I am sure the member will now concentrate on the bill before the house.

Debate Resumed

Mr V.A. CATANIA: Thank you, Mr Acting Speaker. As I have said, during the election campaign, the Liberal Party was pushing this \$10 million around the Pilbara. During this debate on the Treasurer’s advance, I asked the Treasurer whether this \$10 million had come out of the Liberal Party election commitments, and the answer was no. The Minister for Health and the Minister for Regional Development came to Karratha not very long ago and announced that the government would be delivering \$10 million for Nickol Bay Hospital. Where do members think that money has come from? Has it come out of the normal day-to-day running costs of the government? Has it come out of the consolidated fund? No. It has come out of royalties for regions. Surprise, surprise! I think members are starting to see the trend that is unfolding as I go through it. In respect of many of the commitments made by the Liberal Party, it has suddenly passed the buck to the National Party for that money to come out of royalties for regions. The election commitment for Nickol Bay Hospital and for the health system in the Pilbara has moved from a Liberal Party promise to the National Party’s royalties for regions promise.

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Last night I also talked about Karratha High School and Karratha Primary School. One of the items listed in the Treasurer's advance under "Education and Training" is an allocation of \$48.4 million for school capital improvements program as part of election commitments. I could not get an answer from the Treasurer yesterday, or in the early hours of this morning, about whether Karratha High School and Karratha Primary School are part of that \$48.4 million. I find that staggering, because the Minister for Regional Development came to Karratha not long ago and launched the "Karratha 2020 Vision and Community Plan". That plan is based around the education precinct. The Treasurer could not tell me whether Karratha High School and Karratha Primary School are part of that education precinct. The former Labor government had included that in its forward estimates and had already commenced stage 1 of the high school. That precinct would have been worth a total of \$103 million. The shire based its whole vision on this state-of-the-art education precinct that we had planned and it now seems as though it will be jeopardised by this lack of funding.

I am glad that the Minister for Police is present.

Mr R.F. Johnson: I am always happy to be here. I am always happy to be of service.

Mr V.A. CATANIA: I find him to be one of the most approachable ministers.

Debate adjourned, pursuant to standing orders.