

**PUBLIC ACCOUNTS COMMITTEE**

*Twentieth Report — “Review of the Reports of the Auditor General 2011–2012” — Tabling*

**MR J.C. KOBELKE (Balcatta)** [9.21 am]: I present for tabling the twentieth report of the Public Accounts Committee titled, “Review of the Reports of the Auditor General 2011–12”.

[See paper 5591.]

**Mr J.C. KOBELKE:** When implementing the recommendations made by the Auditor General in his audit reports, for the most part, agencies continue to acquit themselves well. Having said that, there is a role for the Public Accounts Committee to examine agencies’ responses to ensure that they are achieving the worthwhile recommendations made by the Auditor General. The Auditor General provides a valuable service in identifying shortcomings in agencies’ performances. However, the real value in his work is in the responses made by agencies and their implementation of the recommended improvements. This simple truth has a significant contribution to the decisions taken by the committee to change the way in which it handles the follow-up of the Auditor General’s reports. The revised process has seen a more direct approach involving shorter time frames, increased interaction with the agencies concerned and, when appropriate, public hearings to fully examine issues raised in the audit reports.

Whereas previously agencies could overwhelm the Public Accounts Committee with bureaucratic non-answers, the revised approach has given the committee a number of options to clarify contradictory responses or, when appropriate, critique what it considers to be inadequate consideration of the issues raised by the Auditor General. I would like to touch on a number of the matters contained within this report. Firstly, I refer to child health checks. In this review we have drawn attention to the contradictory responses made by the Department of Health to questions about the impact of changes by the commonwealth government to the payment of family tax benefit part A on the demand for child health services in Western Australia. An initial response from the department indicated that approximately 16 000 additional children would present for health checks as a result of change and that additional funding of around \$1.3 million each year would be needed to meet the increased demand. However, when we sought additional detail on this issue a few months later, the department told us that there would be a minimal impact arising from the changes. Furthermore, the information provided to us by the Department of Health in its response contradicted advice from the commonwealth government. Namely, the commonwealth suggests that three-year-old health checks will be required to continue to receive the benefit, whereas the Department of Health states that it is four-year-old health checks. In this matter that I have just touched on lightly—it is covered in the report—we see that the Department of Health has taken a bureaucratic response. It picks a part of the issue and provides an answer to that, but does not go to the heart of the matter unveiled in the Auditor General’s report; that is, it is not providing health checks when they are required for young children at their age development and parents find it difficult to get in their children for the health checks because the resources are inadequate. The response from the Department of Health is to simply answer with what happened in one area; it gave us information that was unclear and did not address the underlying issue. That bureaucratic approach is simply not adequate.

We have made two recommendations in the report. We call on the Minister for Health to —

- clarify whether child health checks that meet the requirements for the receipt of Family Tax Benefit Part A are required for three year olds or four year olds;
- outline how many additional child health checks are estimated to arise as a result of this change; and
- the impact on the Department of Health’s budget and staffing levels to meet anticipated increased demand for child health checks.

The first recommendation goes specifically to that area that needs clarification. Our second recommendation goes to the broader issue. I will read it to the house —

That the Minister for Health:

- Outline the extent to which the Department of Health has resources and appropriate staff to provide the recommended child health checks for all children across Western Australia; and
- Provide specific details as to the location, employment arrangements and roles of the additional services funded in the 2012–2013 state budget.

They are recommendations contained within this report. Just to take up that last point, the member for Alfred Cove and her committee worked in this area and quite rightly pointed out the problems and made clear recommendations. The government in part picked that up in the budget and said that there was money to address this issue. That has now gone out to tender, as I understand it, or expressions of interest have been requested for

private sector provision. The documentation I have been able to see is quite vague. We are now almost halfway through the financial year and none of those services are available to people. There are real concerns with how those services will be enhanced with the extra money in the budget and the outcome of that. I will say no more on that, but that is clearly a matter that is reflected in the report I have just tabled.

I now go to another matter, which is the report by the Auditor General relating to certain aspects of the service of alcohol and particularly the responsible service of alcohol. We ended up with something of a dispute between the Auditor General and the Department of Racing, Gaming and Liquor about what was meant or intended by a recommendation in the Auditor General's report. The Department of Racing, Gaming and Liquor disputed a recommendation on the basis that the recommendation related to an issue over which it did not have legal power. As we note in the body of the report, the Auditor General was aware of the department's position at the time of the audit, and we conclude that legal advice should have been sought before completing the audit. This would have ensured that the Auditor General made appropriate recommendations. As it currently stands, in the absence of legal advice the appropriateness of the recommendation remains an open question.

The Auditor General fills an important role in our democracy, providing independent oversight of the operations of the executive government on behalf of the Parliament. The importance of the role is reflected in the extent of the powers granted to the Auditor General to carry out his role. During the four years of this thirty-eighth Parliament the committee has enjoyed a close working relationship with the Auditor General and his staff and this is the first occasion on which we have felt it necessary to raise criticism about an audit. We acknowledge that the issues discussed here are not massively significant, but they are worth examining precisely because of the important role given to the Auditor General by the department. Given that a key aspect of the Auditor General's approach is to create transparency and openness so that people can see what is happening, the Public Accounts Committee felt it could not brush aside the disagreement between the Department of Racing, Gaming and Liquor and the Auditor General. Although it may be a matter of opinion in part, we really knew that that should have been sorted out before the report was tabled. I know that the Auditor General tries very hard to do that. Sometimes reports are delayed because the draft report is given to the agency, the agency has feedback and there is toing and froing. In this report, clearly, an aspect of that was not sorted out. The suggestion in the report is that seeking legal advice might have been one means by which that difference of opinion could have been sorted out.

I turn to information technology security in the public sector. It is worthwhile putting on the record part of what is contained in the report—that is, a summary of some of the recent reports by the Auditor General on IT security. It shows that we have a problem and that the problem is not being addressed. In 2007, the Auditor General examined wireless networks in eight agencies and found serious information security weaknesses in seven of those agencies. In particular, none of the agencies was monitoring for unauthorised installation of wireless access points or external interception of the agency's wireless signals.

In 2008 the Auditor General examined seven agencies to ascertain the adequacy of their policies for the disposal of hard drives. None of the agencies was found to have policies or procedures for the removal of data from computer equipment prior to disposal. The Auditor General purchased 10 ex-government computers at auction and was able to recover sensitive and confidential data from four of these computers.

Returning the following year to look at another aspect of computer security, in 2009 the Auditor General examined the protection of personal and sensitive information. None of the five agencies examined was found to have adequate controls in place to protect the information held on networks and in databases. Three of the five agencies lacked IT security policies; none of the agencies was consistently applying administrative controls—that is, police checks and confidentiality agreements—and network security was found to be poor, which resulted in active network accounts for former employees and generic accounts that allowed access to networks by unidentified individuals. The Auditor General also found fundamental weaknesses in security controls, including the retention of manufacturer default passwords for databases, and some databases with no password access at all.

The following year in 2010 the Auditor General's follow-up report examined the security afforded to laptop and portable storage devices and found that each of the seven agencies examined lacked comprehensive management and technical and physical controls over their laptops and personal storage devices.

Again the following year in 2011 the Auditor General examined 15 agencies to ascertain whether they had configured their IT systems and had supporting policies and procedures in place to detect, manage and appropriately respond to cyber attacks. None of the agencies was found to have adequate systems in place, and only one agency detected the Auditor General's attacks. Internal networks—that is, the networks used by staff to store and retrieve agency data—at three agencies were accessed using vulnerabilities identified in the previously undetected attacks. Another test carried out by the Auditor General involved leaving USB devices in agency

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common areas—that is, meeting rooms and lunchrooms. In eight agencies the USB devices were plugged into computers, which sent information on agency networks back to the Auditor General.

Collectively, the Auditor General's reports from the preceding four years paint a particularly concerning picture about the state of information security in Western Australia's public sector and serve to highlight the lack of awareness of information security amongst public servants.

I have read largely from the contents of the report, but it is a very brief summary that highlights a very serious problem that we have in the lack of IT security and that it is not being fixed. That puts at risk people's personal information. It may be personal information that needs to be kept private. It may be personal information that goes to people's financial affairs and access to their credit cards. It also involves matters of state security. Major corporations and other governments would like to know things about our mineral resources and about major multimillion or billion-dollar deals that the government is involved in, and they might be accessed simply because we do not have the IT security that should be put in place.

Following the tabling of last year's IT security report by the Auditor General, the committee wrote to the Premier and suggested that consideration be given to the immediate establishment of a chief technology officer and a chief information officer who would be responsible for managing issues like IT security for the entire public sector. In writing to the Premier, we observed that establishing the two positions had been recommended by the government's Economic Audit Committee in 2009. It is not that the Public Accounts Committee members are experts in this area; the government itself put in place the Economic Audit Committee that, in 2009, made these recommendations. We therefore saw that as an appropriate vehicle from which the government could pick up the report to it from its own organisation to see what could be done. Unfortunately, nothing has happened there. The government has, I think, decided not to proceed with the appointment of a chief technology officer or a chief information officer. The response from the Premier was to hand the matter to the Public Sector Commissioner. The Public Sector Commissioner produced a policy from which the whole public sector was to take some guidance. On my viewing, it was really just one page. It was a start but, to me, woefully inadequate.

In July this year the responsibility for IT security was transferred to the Department of Finance, and only one full-time equivalent staff member was passed over from the Public Sector Commission to the Department of Finance to deal specifically with IT security. That is woefully inadequate. I recognise the efforts that have been made by the Department of Finance. It has some expertise in contracting IT security and is in the position, I think, of being in a good place where IT security can sit. The committee knows, from evidence that officers of the Department of Finance gave to our hearing, that they are interested in improving IT security; they are becoming active in the area; they are engaging with other agencies and with directors general; and they are trying to push it forward. But it really does need to be given a higher priority in my view and it does need to be resourced.

Finally, I once again note the unprecedented amount of audit-related work that the Public Accounts Committee of the thirty-eighth Parliament has been able to complete. We hand over to the following committee a manageable number of audits for follow-up and have, for the most part, bedded down a revised follow-up process. It is my hope that the Public Accounts Committee in the following Parliament will continue with this good work and will build upon the reforms made over the last four years. But clearly that is up to the new committee. As has already been commented on in this place in the last day or so, the Public Accounts Committee, for the first time in Western Australia, in the thirty-eighth Parliament had an opposition majority and an opposition chair. It is also my hope that that will be the case in the following Parliament, in that I hope it will be a Liberal member who will chair the Public Accounts Committee next year, and the member for Carine would be most suited to that.

**Mr M.P. Whitely:** For the next 20 years!

**Mr J.C. KOBELKE:** Ha, ha!

Regardless of that, it has been a challenge getting the committee to work. It is not that members do not get on well personally. It has been great to share the company of my fellow members from this side of the chamber and also the company of members from the other side and the now Independent member for Churchlands. Without wanting to sound critical, I think there is an issue. We need to be able to work out, when we are working in the Public Accounts Committee or in any other committee, that we take off our party political hat and look to being parliamentarians. We need to realise that the whole issue of accountability is important regardless of who is in government. For the people who are in government, obviously, it can be more of a problem because political embarrassment comes out of things. But the underlying issue is that if we do not have accountability and if we do not have recommendations to improve transparency and accountability, we are not fulfilling our role. For new members coming into Parliament there is a real challenge to actually understand that. It may be that the training that all committees have can be extended a bit to help improve that ability to see the role that members should play as parliamentarians, while of course we always look to protect our political back.

I thank the members of the committee: the member for Carine and deputy chair, Tony Krsticevic; the member for Gosnells, Chris Tallentire; the member for West Swan, Rita Saffioti; and the member for Churchlands, Dr Elizabeth Constable. I also thank our staff who do just an incredible job. I thank Mr Foreman Foto, and very especially Mr Mathew Bates, our principal research officer, who is extremely competent and very diligent and works extremely hard with the huge volume of material that has gone through the committee over that time.

**MR C.J. TALLENTIRE (Gosnells)** [9.38 am]: I rise to speak to this “Review of the Reports of the Auditor General 2011–2012”. As this is the last of the reviews of the reports of the Auditor General, I want to place on record my appreciation for the work of the Auditor General and to acknowledge the way he makes himself and his staff available to members of this place and presents the reports—often over some sandwiches in the committee room. He goes into detail and is prepared to answer all sorts of questions about the nature of the agency’s work. It is important to consider how that work is evolving as well. The Auditor General has discussed with us how the role is evolving from simply being one of reviewing financial matters—balance sheets and what have you—through to now becoming one of performance auditing. That is an area of auditing that I think is very interesting to the general public. It is a way for the general public to see how effectively our public service is functioning and how well a government agency is achieving what its real objectives should be. I see that the Auditor General is keen to develop that side of the agency’s work, and that is a good thing. As our chairman, the member for Balcatta, said so well, this approach of an opposition chair and an opposition majority on the committee has worked very well. It is an approach that is adopted in other Parliaments for good reason. It enables us to have a strong degree of scrutiny of the activities of government agencies. That is the thing: parliamentarians can work collaboratively to really ask questions about the operation of government agencies. Ministers have that endeavour as well; they want to get to the bottom of what is going on inside an agency and check that obscure policy units really are delivering value for money for taxpayers. However, sometimes it is difficult for a member in that ministerial role to ask the hard questions, whereas a committee can get to the bottom of what is going on and find out whether objectives are being delivered.

I turn now to the report and will focus on one area, which is the responsible service of alcohol. In the community among those who work in the hospitality sector, there is a high degree of concern about the quality of training that goes on. There is much talk among industry leaders about the training for the responsible service of alcohol, but when we talk to the actual practitioners—often very young people who stand behind bars and have to deal with rowdy crowds in quite pressured circumstances—they say that the training is pretty token and fairly inadequate and does not equip them well. We then have to step back and say, “Well what of our government instrumentalities? How are they best organised to deal with this problem? Are they really doing their job?” That is where the review tabled here today demonstrates a problem because there is something of an impasse and a lack of clarity of the roles that the Department of Racing, Gaming and Liquor and the police are to play.

I will quote from the letter that the Director General of the Department of Racing, Gaming and Liquor, Mr Barry Sargeant, provided us. It reads —

The responsibility of the licensing authority is a complex jurisdiction with wide ranging responsibilities, which are constrained by the scope of the Act through:

- i. the granting of licences to fit and proper persons to sell, supply and consume liquor on licensed premises that conform to proper standards; and
- ii. placing obligations on licensees.

There is ambiguity about the interpretation of that and just how far the Department of Racing, Gaming and Liquor can go when it comes to checking on the effective management of that right to hold a liquor licence. It is unfortunate that the department is not involved in some measurable, quantifiable way of checking on patrons in public houses and seeing whether they are too drunk to be served further alcohol. Unfortunately, we do not have that situation at the moment. There is a lack of a good quantifiable approach to dealing with this problem. The Auditor General made some recommendations on this matter and said in his third recommendation that the department and the police should develop a guideline to assist the identification of drunk persons. I do not know that a guideline will be good enough. It must be something that is measurable and quantifiable. Members can imagine the tense situation that could arise if somebody is suddenly told that they are not to be served any more alcohol. If the practitioner has no clear proof, it could lead to tense circumstances. We need greater clarity and something that is clearly measurable. The suggestion in the recommendation is that information be provided to industry associations and training providers that is designed to assist staff working in the liquor industry to better identify intoxicated patrons. I do not think that it is fair on those people who have to work in the industry to expect them—as I said, they are often young people—to do this identification. This recommendation needs to be more robust. The chairman noted how the Auditor General did not seek legal advice on this interpretation and nor did the department. It is good that we have raised this matter about seeking more clarity. A further section from the Auditor General’s report reads —

[in] reporting to Parliament I was aware of DRGL's views that it's (sic) resourcing and the powers of its inspectors placed practical constraints on its capacity to monitor and enforce the responsible service of alcohol in licensed premises. I did not disagree with this position and reflected it in my report.

There is some confusion about how to proceed here, but a further investigation of matters should resolve things.

The work of the committee has been greatly helped by our support staff and I want to place on record my appreciation for the work of Foreman Foto, our research officer, and Mathew Bates, our principal research officer.

**MS R. SAFFIOTI (West Swan)** [9.45 am]: I will make some brief comments on this report of the Public Accounts Committee, given the number of reports being tabled today. I put on record initially recognition of the good work that the Auditor General does. It is a challenging role assessing the performance and value for money of agencies, and I believe the unit and agency does a very thorough job and tries to do whatever it can, given the resources it has. Again, the Auditor General goes about his business in a very professional way, which is what we want from an Auditor General. I also want to thank the staff, Foreman Foto, and, in particular, Mathew Bates. Mathew's ability to write a lot of material in a quick and intelligent manner is something that we all appreciate, and his ability to work with all of us on the committee has been absolutely excellent. I want to put on record the outstanding role of our chairman, the member for Balcatta. The member for Balcatta has done a very good job in handling the egos and personalities of people on the committee.

**Mr P.B. Watson:** You are hard to work with.

**Ms R. SAFFIOTI:** I am not talking about myself. Having an opposition chair has been a positive thing. Much to my displeasure sometimes, he has been very fair and has conducted himself in a very fair and unbiased manner. The member for Balcatta could have abused that opportunity, but I seriously do not think he has. I have known the member for Balcatta for a number of years, and his diligence, hard work and professionalism is outstanding, and I think the Parliament will miss his contributions.

In respect of the report, I want to mention the issue of child health—I think it will be mentioned later on today in other reports. It is an area about which we made some recommendations to the Minister for Health—whether it will be taken up by this Minister for Health or the incoming Labor Minister for Health—and we need to address this issue quickly in the next year. Funding is available for further child health nurses, but there is some confusion about the roles, responsibilities and locations of those child health nurses, such as whether they will be funded through a different mechanism such as a non-government organisation, and what role they will have with the existing child health nurse network. I represent an electorate that probably has the most number of babies born in it each week. The issue of child health and ensuring a good assessment and recognition of early development is vital. Our education system normally plays catch-up if we do not recognise the issues early on. As I said before, there is a real issue in recognising the right issues early enough so that children will not have ongoing problems through primary and secondary school. Child health nurses are trained for that. I am not discounting the role of doctors, but child health nurses have enormous experience in that area. From my personal experience, having three kids under three years old, people really take on board the advice of child health nurses, who assess children in a very thorough and complete way. I think we should look at where this funding should go. Most of the time child health nurses are located in very cramped conditions, so if more child health nurses were to be allocated, there would need to be sufficient space for them to work. All these things need to be looked at. I also agree with what the member for Balcatta said about the confusion around the effect the federal policy change will have on the number of nurses, how they use their time, and their roles. We are not quite clear on that, which I think is a huge problem.

I want to again put on the record that either this Minister for Health or the incoming Labor Minister for Health needs to take this on board quickly. Child health and the role of the child health nurses should not be a minor part of the total Health bureaucracy; it really should be at the forefront. If we assess and identify issues early on, it will save enormous expenditure and heartache in later years. If we want to look at it from a cost-benefit analysis point of view, the benefits far outweigh the costs. We need to assess our children and try to get as much engagement as we can. I know that child health nurses are absolutely under the pump, and checks are not being undertaken, not because they do not want to, but because they just do not have the time. If members consider that a lot of people who want their children checked cannot get those checks, imagine how many are falling through the cracks. Those who would not normally offer their children for checks are just being forgotten, and sometimes they are the children with significant problems. I urge the government to look at this issue and make sure that any expenditure in this area is done in a coordinated fashion and links in with the current services and does not duplicate or create another system. We have a system; we just need it to be better funded and resourced, and also more targeted in its operation.

**MR A. KRSTICEVIC (Carine)** [9.52 am]: I, too, would like to say a few words on the review of the reports of the Auditor General for 2011–12. I will not go over the matters in the report that other members have covered,

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but I wish to put on the record my thanks to the Auditor General and his staff for the outstanding work they have done over the past four years, and for the professional and collaborative way they have worked with the Public Accounts Committee during that time. Together, I think we have achieved some very positive results for the state of Western Australia and the public sector as a whole, and, in turn, obviously, we have done a service to our Parliament.

I would also like to express my support for more work to be done in the performance audit area. Being an accountant, I know that financial audits are an exciting place to be, but we have to extend ourselves sometimes and look at what we are actually achieving as opposed to just the numbers around some of these things. I am very, very keen on, and supportive of, performance audits, and I would like to see more work done in that area. I am also very grateful to the government and its ministers who have taken on board a lot of the recommendations made by the Public Accounts Committee over the past four years around improvements and changes, and obviously the Auditor General has gone a long way in terms of contributing to that.

Four years ago when I became a member of the Public Accounts Committee, it was, for the first time, an opposition-dominated and led committee—a very interesting experience for me. Back then, the member for Balcatta, who I believe has done an outstanding job over the past four years, was our chairman, and still is, and the member for Gosnells and Hon Alan Carpenter—the former member for Willagee—were on the committee as opposition members; I and the member for Jandakot were the government members. To use a military analogy: I felt like there were three battleships on one side and a little tugboat on the other —

**Mr P.B. Watson:** A big tugboat!

**Mr A. KRSTICEVIC:** I was the tugboat; that is right!

There were two highly experienced opposition members—a former Premier and a long-serving minister—as well as the member for Gosnells who, albeit new, obviously stepped up to the mark very quickly. I would say that the government members probably had to work exceptionally hard just to stay close to where the opposition members were at in understanding all the issues. I think I and the member for Jandakot did a pretty good job. The member for West Swan spoke about the member for Balcatta having been a generally impartial and balanced chairman. I use the word “generally”; I know certain members did their best to try to shift the direction from time to time. But that is what it is about; there are so many issues and concerns going on in government that I think a lot of times we acknowledged the fact that it would not have mattered which party was in government, the issues would have been the same, the bureaucracy would still have had its problems, and irrespective of the minister, it is very, very difficult to steer that ship. Irrespective of which party is in government, it is better for both sides of the house if committee members help each other to steer the state in the right direction. I do not think playing politics on committees per se benefits anyone in this place. Over the past four years I have learnt something important: a lot of work is needed, and the more we can work together, the easier it will be for everybody in this place and it will result in a better outcome for the people of Western Australia.

The member for West Swan became a member of the committee after the then member for Willagee left to go into the private sector—he has no doubt become a good conservative since that time, having worked in the private sector! When the member for West Swan came on board she added another dynamic to our committee. From my perspective, I have learnt a lot in the past four years, and I think I have become a better member of Parliament and, hopefully, a better parliamentarian in that respect.

I thank the committee staff. The work they do is absolutely outstanding, and I do not know how we would have done half of what we did without our capable staff. We have been very fortunate over the past four years to have had a number of capable staff come through, but our current research officer, Mr Foreman Foto, and our principal research officer, Mr Mathew Bates, have done an outstanding job in pulling together the information. I think they have been very balanced and fair in their dealings with all committee members, and they have shared their knowledge, experience and views on information gathered in a fair and balanced way. They have done themselves and the people of Western Australia a great service, and having those sorts of people in parliamentary services provides a good outcome for us all.

In conclusion, opposition-led committees has been an interesting experiment in this thirty-eighth Parliament. Personally, I am supportive of it; I am not supportive of me necessarily being the Chairman of the Public Accounts Committee after the next election, but I look forward to us being in government and struggling in the opposition ranks of the committee! Thanks very much for the offer anyway.

*Twenty-first Report — “Review of Selected Infrastructure Projects — Tabling*

**MR J.C. KOBELKE (Balcatta)** [10.00 am]: I present for tabling the twenty-first report of the Public Accounts Committee, “Review of Selected Infrastructure Projects”.

[See paper 5592.]

**Mr J.C. KOBELKE:** Since the commencement of this thirty-eighth Parliament, the Public Accounts Committee has dedicated a great deal of time to examining the delivery of infrastructure in Western Australia. For a committee whose remit is to assist with oversight and accountability of government expenditure, examining infrastructure projects has provided us with many opportunities to contribute to the discussion about the way in which government spends money. There can be little doubt that infrastructure delivery can be a challenging business for any government. There can be political pressures associated with announcing projects at the right time of the political cycle. There are also obligations to choose the right project to respond to the needs of the community, and often there is pressure to fund iconic structures that make lasting contributions to the state's civic architecture. All too often, the various pressures can conspire to create outcomes that are less than optimal. Sometimes this means that a project goes over budget or is completed beyond schedule. In more serious cases, it might mean that the resulting piece of infrastructure falls below expectations because it fails to meet the real needs of the community.

Western Australia has a detailed suite of policies, the strategic asset management framework, referred to as SAMF, that are designed to guide departments and governments through the process of developing infrastructure proposals and then, ultimately, making investment decisions. Applying SAMF helps to answer questions about the need underpinning the project and requires agencies and governments to consider a range of options before selecting a preference for how best to respond to designated need. SAMF goes further and provides advice about the best contracting method and the procedures that should be followed as the procurement process continues through delivery, commissioning and operation. In 2009, the Economic Audit Committee, which was established by the Barnett government in 2008, endorsed the important role of SAMF in minimising risks to the state in building major infrastructure. In particular, it noted that if projects are approved by cabinet without the benefit of a detailed analysis in compliance with the principles established by SAMF, it would increase the risk that decisions would be made on the basis of less than full information. Prophetically, in October 2009, the Economic Audit Committee went on to note —

In this regard, Cabinet may decide to proceed with a poorly evaluated project that has an excessively low estimated cost or an overly optimistic completion date when more extensive analysis would have given a clearer picture of the risks associated with the project.

We see the truth of this simple statement from the Economic Audit Committee reflected in the projects that we have examined in this report. We examined three projects, plus a fourth matter that we picked up, and those three projects are ones that we looked at previously and have been monitoring whether or not they are in conformity with the SAMF principles.

The first one I would like to comment on is the Perth City Link project. The Perth City Link has escalated in cost from \$236 million to its current estimate of \$737 million, which is the figure we get when the land development aspects of the project are included. Almost all of the increases in cost can be attributed to changes in the scope of the project after it had been announced or to further refinement to the cost estimates—that is, a cost increase from the first figure to the current figure of \$500 million or 212 per cent. I am not saying that governments should not change projects; there will be changes in circumstances and there are good reasons for that. It does not mean that when the scope and cost are changed that we are not getting value for money, but that is put at risk; it will increase the risk that we will not get value for money. I am not making, in this particular case, the accusation that the change, the enhancement, is not giving value for money, but we do not really know because we do not have the analysis that covered the whole scope of the project at the start. That increased cost of \$500 million is even before we have let the contracts for undergrounding the Wellington Street bus station, and that could change the infrastructure required for the development of the land freed up by the undergrounding of the bus station and 300 metres of rail line. I expect from the work that has been done that it will come in close to the figures, but that has not started yet. We do also need to mention that the government will recoup some money through the sale of land that will be available for commercial and residential development on top of where the railway line goes underground. We are talking here about development costs; the net costs will be different, depending on what the government can recoup from the sale of the land. It needs to be very clear that this is not a transport project; it was not set up to improve public transport. It is a project that was set up to redevelop this important part of the city and to enhance the vitality of the CBD and Northbridge. It is a very city-centric redevelopment program. The large cost blow-out is clearly symptomatic of a failure to apply the required SAMF processes prior to the commitment to the project.

The next project I would like to comment on briefly is the Ord–East Kimberley expansion project. A similar story exists for the state government's contribution to the Ord–East Kimberley expansion project. The state's share of the cost started at \$195 million when it was first proposed for commonwealth assistance. The commonwealth donated \$195 million for quite a different set of projects, and it has kept its contribution at \$195 million. But the state's contribution, which was for the infrastructure to expand the land that could be used for irrigated agriculture, grew from \$195 million to \$220 million and now to \$322 million. That is a cost

escalation of \$127 million or 65 per cent. Just like the Perth City Link, the increase can be attributed to the detailed estimates being available only after the project had been approved. The scope of the project was also expanded post-approval in response to the recognition that the amount of land being made available under the original scope would not be sufficient to meet the objective of establishing the required economies of scale. In the earlier report that the Public Accounts Committee made on this issue, it was absolutely clear to us that that the expansion was not big enough to provide those economies of scale. But why was that not recognised at the start of the project? The Public Accounts Committee could come in and have a quick look and see it straightaway, but the project was kicked off without its being recognised that if the government wanted to have those economies of scale for a particular crop, whichever it might be, then the original proposed 7 500 hectares would not be adequate. In both these cases, it is reasonable to ask whether the government would have proceeded with the proposals had it known that in order to achieve the project's objectives, significantly more money than initially estimated would need to be spent. One of the concerns I have with the Ord–East Kimberley expansion project is that there did not seem to be any process of establishing clearly what the objectives of the project were. There was a whole range of ideas thrown in, but I am not aware of a process that set about to establish what were the clear objectives. Was it about populating the north? Was it about increasing development in the north, because it is underpopulated? But no case was made for that in any real, objective way. Was it this vague idea of developing a food bowl in the north? The two economic analyses that were available to the committee showed that in terms of net present value, we would not get a return. There was no other evidence to show that investment there was going to be a real economic benefit in food production, even though ministers have espoused that as part of the reason.

A third and quite important reason may have been addressing Indigenous disadvantage. The East Kimberley could be seen as the most disadvantaged part of Western Australia. On my behalf, I certainly want money spent there, but the issue is: was that clearly designated as the objective of putting in what is now \$322 million? The case was not made. The SAMF simply was not followed. There was not a clear designation of the objective, how it could best be achieved and whether that was through the expansion of the channel and a road and increasing the hectares that will be available for irrigated agriculture. The connection was not made. The major industry in Kununurra is government services; it is not agriculture. We were told there is no government policy to set targets for Indigenous employment in government agencies. If the primary objective was to deal with the clearly demonstrated Indigenous disadvantage, I believe there would be a much better pay-off through other projects. If we had set targets for the percentage of Indigenous people employed at government offices in Kununurra and the East Kimberley and put in the training programs, the mentoring programs and the jobs, \$322 million would have provided a lot more jobs than increasing the area under agriculture. Clearly, there has been expansion of Indigenous people caring for country by taking on roles as rangers within the Department of Environment and Conservation et cetera, which is great, but more Indigenous people could be employed if the money was there. Clearly, we have needs in education and health, and more Indigenous people could be trained in those areas to provide support roles and then move into higher professional roles. There is a huge need for aged care for Indigenous people, so people could be trained for that. If the strategic asset management framework process had been established and its primary objective was to do something about the horrendous Indigenous disadvantage in the East Kimberley, I would not have made the decision to build a canal and increase the horticultural area, because we know that the flow-on effects to Indigenous people will be indirect. We will not have the money to be a major investor in that area. Under the native title agreement, Indigenous people will benefit through having freehold title on some of the land, but whether they will actually manage that land or simply lease it out and gain ongoing benefits, which is good, is another question.

The bottom line is that I strongly support spending considerable amounts of money—the \$322 million that we are now spending—in the East Kimberley, but I am not convinced that we are getting value for money. From the reports in the paper it looks like we will provide land and development worth \$322 million to a Chinese company for a song. It will not pay the government, whether through its lease or through its purchases, a fraction of the \$322 million; it might be \$20 million, \$30 million or \$40 million. The company will have to put in hundreds of millions of dollars to get the land levelled and to get it serviced and to turn it into a productive agricultural land. There is a flow-on effect from that, but how often do governments spend over \$300 million to subsidise an industry without even having an economic analysis to show that there is positive net present value? That is \$322 million to subsidise an industry when we do not even know what it will produce. The Minister for Regional Development said in this place that it would be rice. Only a few months later we were told that rice was no longer any good and that rice would not be grown there because it was not economic. It just shows that the SAMF process has not been followed and we have no idea whether we will get value for money out of this. We also know that whoever takes over this land and puts a lot of money into developing it is unlikely to even pay for the cost of the water. When I say the cost of water, I am not talking about amortising the huge capital cost, but about the cost of administering and maintaining the flow of water, which will be subsidised by the taxpayers. We may get the benefit of the hundreds of millions of dollars that the Chinese company will come in and spend, but

we would have spent \$322 million and we will be subsidising the water so that the company can grow its products and export them. Clearly, there are flow-on benefits, but are we getting value for money from those benefits worth \$322 million, which would have gone a long way to addressing Indigenous disadvantage and providing real sustainable jobs in areas where Indigenous people can work?

The next issue I will touch on is the new Perth stadium. The government's decision to locate Perth's new stadium at Burswood is unique because the government had the benefit of the detailed report completed by Mr John Langoulant. The Perth Major Stadium Taskforce report did many of the things that a SAMF requires of agencies. It examined the need for a new stadium and then considered the various options of where a new stadium could go and its style and characteristics. The report ranked Burswood last of the four short-listed options and noted that it would be the most expensive location in addition to providing the least satisfactory transport access. With the cost of the all-important transport solution not yet available, it is not possible to tell how large the cost escalation will end up being by the completion of this project. I am personally a very strong advocate for Perth having a modern world-standard major sports stadium and I use the opportunity now to briefly give my thoughts on the transport challenges facing the operation of the proposed Burswood stadium. The proposal in the 2006 task force report to increase the percentage of patrons attending Patersons Stadium in Subiaco to 61 per cent was considered ambitious. The 43 000-seat capacity stadium had way below that number of patrons using public transport, and it was considered ambitious to try to get 61 per cent of the patrons to use public transport when the stadium's capacity increased to 60 000. The Burswood option started with the objective of increasing this figure to 70 per cent, which is even more optimistic. Now, the underlying parts of the master plan that have been revealed assume a transport solution that will achieve 50 000 patrons travelling by public transport, which is 83 per cent of people travelling by public transport. Frankly, the transport figures given in the project definition plan released in September 2012 are simply not plausible; they do not add up. The actual figure in the plan—we might be told there is a typographical error—actually come out at more than 83 per cent because people who walk across the footbridge from near Gloucester Park will use public transport to get from the CBD to Gloucester Park. It is not going to happen. The transport plan that has been released so far is totally dodgy. There are something like 5 300 car bays at the Crown Perth complex, yet there is no mention of them in the report. Burswood may put up gates and stop people going into the stadium unless they have a ticket showing they have gone into the casino or the hotel, so I am not saying they would be available, but the report does not even mention them. The transport plan is totally shonky; it does not stack up.

Burswood is on a peninsula and the Langoulant report made it clear that transport was the major problem, because on a peninsula there are not different points to get in or out. The transport situation can be fixed, but it will cost a huge amount of money. There will have to be flyovers to get onto Albany Highway or the Causeway or to get onto or across Great Eastern Highway. That is tens and tens of millions of dollars to provide an appropriate transport solution so that it will be easier to get there and people will want to go. If that is not done, we will run into problems. I am running out of time, but what we found in some of the academic papers we read when we did this work over the last few years is something called “optimism bias”, and this happens regardless of which side of politics is in government. People start with a project and are so optimistic about it that they downplay the risks and the costs; they optimise the benefits. It can even be a bit more sinister than that—Sir Humphrey Appleby—in that agencies will put forward a project and under-scope and under-cost it, because once the government has announced it, it is locked in. Then the agency comes back and says, “Oh, but we've got to add this and we've got to add that”, and the cost blows out. That is regardless of who is in government. If the SAMF process is not gone through properly, the government is opening itself to committing to a project on less than adequate information and the project will blow out. In the end, the project may not even meet its needs.

The committee report also covered the land sale to Crown, but I have run out of time. Again, I echo my thanks to all the members of the committee and our staff, especially Mr Mathew Bates, who have done a brilliant job ensuring that the standard of the work of the committee and the results the committee could achieve are what we have achieved.

**MR C.J. TALLENTIRE (Gosnells)** [10.19 am]: I rise to speak to the “Review of Selected Infrastructure Projects” report and begin by adding to our chairman's comments on the Ord–East Kimberley expansion project. As has been said, every major project that the state embarks upon should use those strategic asset management framework principles. That is all about making sure that a project is delivered on time and on budget and that we know what we are really developing and what the real aim of the project is. That is where the Ord–East Kimberley expansion project has been quite confused as to what we have been developing. I know from the early stages of development there was a commendable objective of improving the quality of life of Indigenous people in the East Kimberley. That is absolutely commendable. Significant amounts of money were put aside for that. We have climbed up to some \$322 million going into the project. If that can improve the quality of life of people in the East Kimberley, that would be money well spent. However, is this the vehicle? Is the development of 15 000 hectares of irrigated land in the East Kimberley the best means by which we can deliver that

improvement in the quality of life of people in the East Kimberley? I fear that it is not. I fear that there could have been other ways, better ways, of spending that money through which we would have seen improvements, such as a reduction in horrific things such as suicide rates in the East Kimberley and improvements in the rates of alcoholism. All sorts of terrible social problems in the Kimberley could have been improved by using this money differently.

Nevertheless, we have spent \$322 million. We are hoping to bring online 15 000 hectares. I know it is a crude analysis, but that equates to something like a subsidy of \$21 500 per hectare. As noted in the press at the moment, a company is getting access to that land at an incredible subsidy. I understand from speculation that the most likely proponent is a Chinese company, which will be issued with a 50-year lease on that land. Nevertheless, a subsidy of \$21 500 per hectare is a massive subsidy.

Of course there have been some benefits. When the Public Accounts Committee visited the East Kimberley, we met with some of the people working for the various construction companies. They told us about how they were working with individual people. At the very human scale, they were going out to make sure that people were able to get to work and had the right safety gear—all that very detailed work. The people were actually learning about the importance of having regular employment. They are good, commendable things. But could we have done better with our money than spending it in this way? That is the question that has to be asked.

I want to raise a few technical questions as well about the development of the land in the Ord area. I know at one early stage there was talk of ensuring that there was an abattoir as part of the development and that that could have led to intensive livestock grazing. It could have perhaps helped us diversify away from the live animal export trade and have another string to our bow for animal livestock producers in the Kimberley. An abattoir in the Kimberley is something that we really should be looking at. That was shied away from. Instead, the money has been put solely towards the development of irrigation channels for the purposes of irrigated crops.

We have looked at the sorts of crops that are going to be viable in the Kimberley. At the moment, information is that sandalwood is the most viable. The latest speculation, though, is suggesting that sugar is a possibility. There could be a huge area of sugar. In fact, the upgrading from 7 000 hectares to 15 000 hectares seems to be around accommodating a level of production that would enable a sugar mill to operate in an economic way. My only concern is that some of the expansion is into the Goomig area. I have seen the soil mapping of the area—I note that it has been presented—by Jim Dixon from the Department of Agriculture and Food’s natural resource management assessment unit. He has a great deal of expertise in this area of soil mapping and soil quality assessment, and he has assessed that much of that soil is of a type called Aquitaine soils. Those soils are prone to salinity. Therefore, I wonder about the suitability of a lot of that area to sugar production. There are some concerns there. I also gather that that soil type is perhaps not well suited to sandalwood production. There are other crops that perhaps can cope with it, but it is uncertain whether they will be commercially viable. As soon as we start to add in other crops, we diversify. It sounds commendable to be diversifying, because I think one of the problems with Australian agriculture always has been our mono-crop approach to things. Making sure we have a diversity of crops is normally a good thing, because there is always going to be some unanticipated pest or disease that will come in and perhaps attack or wipe out one crop or another. But we know that to have the necessary production levels for the sugar mill, we are looking at 15 000 hectares—it is a significant area. Nevertheless, I am concerned that they may not be adequate for the production system because the soil types may not be correct.

I turn now to the Perth stadium proposal, about which I have a lot of concerns. Our chairman has very well outlined the problems associated with the transport connections that the stadium affords. I read in the latest report on the new Perth stadium that there is the potential for an upgrade of the Thornlie line to link up with the Mandurah line as part of increasing accessibility to the stadium so people from Cockburn and southwards of Cockburn down to Mandurah would be able to access the stadium passing via Thornlie. That sounds like a huge additional expense. Already we are up to \$900 million for this project. To be then adding very expensive rail upgrades, which I applaud in principle, onto the cost of this project really does make me wonder how well we have used the strategic asset management framework in assessing this particular project and its viability on the Burswood peninsula, with all the other complexities that are associated with that site. Its location does seem to pose many problems.

I commend our report to the house, and again thank my colleagues, and especially the committee’s chairman, the member for Balcatta, for the guidance that he has given us over the course of the last four years.

**MS R. SAFFIOTI (West Swan)** [10.26 am]: I rise today to make a contribution on the Public Accounts Committee report, “Review of Selected Infrastructure Projects”. I want to go to through the projects that were outlined in the report. The first one is the Perth stadium project. One of the reasons the Public Accounts Committee looks at projects, proposed projects or projects underway is to look at whether they follow rigorous and existing strategic asset management plans of government. It is basically ensuring that proper processes are

being adopted in ensuring that we get value for money when we build these projects. I think the Perth stadium is a classic example in which proper, rigorous process is not being followed. Of course, the history of this was, "Let's build a stadium." This is how the government went about the process: as I understand, the Premier drove around the city, found a block of land and said, "That will be a good place for a stadium. This is where we are starting from." I think everyone would say that that is not the way to start a billion-dollar project.

What we have now is a site where a stadium can be built. As the member for Balcatta said, a stadium can be built on the site—of course it can. But the question is the cost. There are two key elements in relation to the cost. The key issue is how much extra are we paying to be building on a contaminated site that has some significant drainage issues but also flooding issues. That is the key: how much extra? We were told that around \$50 million of additional structural work is required to make sure that the stadium basically does not sink. The other key issue of this project is transport. Again, as the member for Balcatta said, of course a transport solution can be built for this project, but at what cost? What we are seeing is the entire metropolitan transport system having to be reconfigured to suit this stadium. That is not an exaggeration. Let us go through it. A major new platform station will be built at Belmont Park. As we understand, it is going to be a three-platform station with a capability of carrying nine-car sets. The key issue is, of course, that currently no other station in Perth can carry a nine-car set, so there will have to be expansion of existing platforms around the metropolitan area to ensure that we can get the people away from Belmont.

As the member for Gosnells outlined—this is something that came out of our latest hearing—we understood from the initial hearing that there would be an expansion of platforms in the Perth City Link project to accommodate a nine-car set. What we understood, and I think everyone understood, was that the design would allow a shuttle facility between Belmont Park and the city of the extended trains—the nine-car sets. However, it came out in the hearing that there is not enough room in the Perth City Link project to allow a nine-car platform. Therefore, the government would basically have to rebuild or make major changes to the Barrack Street Bridge. This was something that came a bit out of the blue, because we were told probably a couple of weeks earlier that the whole transport solution was based on a shuttle service between Belmont Park and the city to get the number of people out of Belmont Park in a quick manner. Then we were told that basically nine-car sets cannot fit in that city redevelopment, which poses a lot of questions about the Perth City Link project, frankly, because it must be remembered that the Perth City Link was meant to be a public transport project, but it is not; it is an urban development project. It constrains the future capacity of our existing rail network by undergrounding it and basically limiting future expansion. It now appears that the government will probably need to do the extension of the Thornlie spur for no other reason than the government is building a stadium at Burswood. So, regardless of patronage figures and all these other things, it appears that the government will have to do it to be able to transport people to the stadium. As the member for Gosnells said—of course, he would support such a spur because of some of the benefits —

**Mr P. Abetz:** So do all the locals. All the locals would love to see it built.

**Ms R. SAFFIOTI:** A lot of locals across a lot of areas would like to see improvements in public transport, member.

That cost alone, I suspect, would be between \$400 million and \$600 million.

**Mr P. Abetz:** It is \$240 million.

**Ms R. SAFFIOTI:** The member says \$240 million. Is that linking the Mandurah rail line to the —

**Mr P. Abetz:** The Thornlie line, including building the three stations, and a rail overpass over Nicholson Road—the whole lot.

**Ms R. SAFFIOTI:** I thank the member for that.

The other key components are the road modifications, the construction of a dedicated bus station, a new footbridge across the Swan River and expansion of the existing pedestrian component of the Windan Bridge. It must be remembered that all of that, including the new spur, is meant to cost \$300 million. The member for Southern River has just spent \$240 million of that, so I expect the transport component of this project will now be—I estimated between \$400 million and \$500 million, but I think I was a bit low in my estimate—between \$600 million and \$700 million. As I said, all these projects are nice—we all like public transport improvements—but to do them on the basis that the government stuck a stadium at a place that no-one can get to is absolutely ridiculous when there are huge demands throughout the metropolitan area. To do it on the basis that the government chose a location because it thought it would be a nice place to put a stadium is ridiculous. I expect that some of these details will be outlined in the December project definition plan to be released by the government. But, again, it just shows that this government makes decisions that cost a lot but do not deliver the appropriate benefits to the community. I think spending \$1.7 billion on a stadium that could cost the government \$1 billion is an extravagance that WA cannot afford.

I now want to quickly talk about the Ord. If we were to say to a government that we had \$322 million to either provide industry assistance or address Aboriginal disadvantage, would we go and spend \$322 million to build a water canal to create a sugar industry that would be sold to an overseas investor? Really? Is that the solution we would come up with? Of course it is not. As I said, I believe that we need to do more to address Aboriginal disadvantage. Imagine what we could do with \$322 million. As the member for Balcatta said, we talked to some Indigenous representatives in the north of the state. Do not talk about jobs. With \$322 million we could train them to work in the aged-care industry or in child care or as park rangers. We could train them to work in the mining industry. What we could do with \$322 million!

**Mr A.P. Jacob** interjected.

**Ms R. SAFFIOTI:** Do not try to provide that explanation because it is absolute rubbish. I am just saying what could be done if we had \$322 million to address Aboriginal disadvantage. As the member for Balcatta said, when we talked to Indigenous representatives, they outlined things such as they need more women in the area trained in aged care and child care. For example, we asked, I think, the government representatives about how many Indigenous people work in the Department of Housing doing maintenance—that is, doing jobs that will last forever and are located locally. They said none; so, as we understand, no Indigenous people work in the Department of Housing up there. What we could do with \$322 million to address disadvantage! The idea that we have outsourced that project of addressing Aboriginal disadvantage to an overseas company that is building a sugar mill is not logical. Again, if we had \$322 million and we wanted to choose an industry, would we choose sugar processing? Would we? When we were there trying to protect local fabrication jobs, we were talked about as interfering in the market and being like socialists. Now we have \$322 million to create a new industry, I do not know what the real objective is. It does not make sense.

Lastly, I will deal with the Crown Casino land issue. The committee found that there needs to be greater transparency in that process, because the value of the concession that has been given to the private company is not exactly clear. There may be arguments about incentives for tourism development, but the committee is suggesting greater transparency. In everything we saw, there was not a clear figure on the exact value of the benefit.

**MR A. KRSTICEVIC (Carine)** [10.37 am]: I did not intend to speak on this report, but I have to quickly put a couple of things on the record regarding the review of selected infrastructure projects. The member for West Swan has motivated me to say a couple of words about that, specifically in terms of the Ord project. It is interesting that over not only the last few years, but also the last few days, we have heard quotes from the former Treasurer and previous Leader of the Opposition in which he strongly supported the Ord project and strongly supported, I suppose, ultimately, what we have done. We get the view that with a lot of these infrastructure projects, the former Labor Party government in some respects started these projects, and we have come along and finished these projects that it started, and now it is criticising us.

**Mr A.P. Jacob** interjected.

**Mr A. KRSTICEVIC:** No. As a member of this house, it is very difficult to balance those two things and say, “Well, you started it. You put us on this track. This is exactly what you were going to do. As a matter of fact, we actually enhanced the project. We improved it and added some value to it, and now you are criticising us for doing that.” That just does not make sense to me. When we look through the records of this Parliament and at the decisions that have been made by ministers on both sides, we can see that in a lot of respects we are heading in the same direction. Yes, we can get better at the way we do things, but I think an important point was made by the member for Balcatta about the changing scope of projects. We are not talking about cost overruns; we are not necessarily talking about wasting money either, because a lot of these projects are nation building. We are building the north up; we are creating opportunities by opening the door for other people to come on board. Yes, sometimes these things cost a lot of money and the immediate value is not seen. I think in life it is known by most people as short-term pain for long-term gain. That is a very important point that needs to be stressed here. In the short term it is very easy to criticise; it is very easy to see the lack of value in these projects; it is very easy to make it sound as though we are wasting money. But, with hindsight, a lot of times we come back and say, “Well, actually, that was a great decision and it was the turning point in a lot of respects.”

The local people around the Ord, MG Corporation and the Indigenous people are very supportive of the work that is taking place there. They are very supportive of the money that is being invested. At the same time, when we talk about what sorts of crops to grow, we cannot tell the private sector and we cannot tell people in agriculture what is or is not the right thing to do. They are the people who know what is going on. People sitting here in Parliament should not be telling people up in Kununurra what they should or should not be planting in the ground, when probably most of those people have not even been to Kununurra —

**Mr M.P. Whitely:** Would you not want to find out that they are going to do something with it before you spend all that money?

**Mr A. KRSTICEVIC:** They are going to do something. There is an article in the paper today that talks about the sugar and the processing plants and the jobs that are going to be created. We can sit here and we can criticise and say that it is not going to create jobs and it is not going to do this or do that. But, you know what? Tomorrow, when something does occur, no-one is going to stand in this place and say what a wonderful decision the government made or what a wonderful thing it was doing. So it is a bit hypocritical sometimes to do that. To me, the disappointing part is when the politics comes back into play as opposed to doing what is the right thing for the state.

It is also interesting that when we talk to members of the opposition and ask, “What would you do, or what would you cut out?”, they do not have any suggestions. All they can say is, “You are in government, so you decide what you are going to do”. Then, when we do decide what we are going to do, and we do it, they criticise us! So we say, “Okay, then, what would you do?”, and they say, “No, you are in government; you decide.” Members opposite cannot have it both ways. They cannot have two bites of the cherry.

**Mr R.H. Cook** interjected.

**The ACTING SPEAKER (Ms L.L. Baker):** Member for Kwinana!

**Mr A. KRSTICEVIC:** There is also a lack of information, a lack of transparency and a lack of facts. It is very easy to spin things, and it is very easy to make up stories. Unfortunately, the media are very gullible nowadays and they are not interested necessarily in doing the hard work to find out all the facts for their stories.

Several members interjected.

**Mr A. KRSTICEVIC:** The media are gullible, because they believe in the integrity of some of the people in this place and the information they are sharing with them, and they believe that they are trying to do the right thing for the community. However, they have on many occasions found that not to be true very quickly afterwards and they have not run with the stories beyond one or two days. So in that respect, the media have done a great job from that perspective as well. But the media need to be a bit more conscious of the stories that they hear. It is not easy for the media in their role either, but if they want to know exactly what is happening, they need to appreciate the fact that, on our side of the house, our ministers are very genuine, are very concerned, and are very, very keen to share the facts with the people of Western Australia so that they can make an honest and informed decision and do not just get caught up in the spin. I know that between now and 9 March there will be a lot of spin by the opposition and they will try to shake every tree and make up stories all over the place. I know that the people of Western Australia are smarter than that. I know that the people in my electorate are definitely smarter than that and they can see through those things as well.

We now have this infrastructure project report, and the committee has looked at a lot of these projects, and there have been some good outcomes. It is good to focus on what is going on and bring it to the attention of the bureaucrats and the public service, and try to refine our processes. But politics will always be politics. As was mentioned earlier by the member for Kalgoorlie, announcements will be made, and costings will be given. I know that at the time of making those decisions, the people who make those decisions do not necessarily have all the fine details, so that is when the cost may blow out. But these things need to be taken with a grain of salt sometimes where there is criticism, because, as I said, it does not matter who is in government; the same decisions will still be made, and the same outcomes will still occur. Thank you very much.