

INFRASTRUCTURE WESTERN AUSTRALIA BILL 2019

Committee

Resumed from an earlier stage of the sitting. The Chair of Committees (Hon Simon O'Brien) in the chair; Hon Sue Ellery (Leader of the House) in charge of the bill.

Clause 8: Functions —

Committee was interrupted after the clause had been partly considered.

Hon PETER COLLIER: The reason I asked that question about why the Department of Education would come under the remit of Infrastructure Western Australia was that I knew the answer. I probably did so in defence of Education, rather than asking the bleeding obvious. This is one of the—dare I say it—rare occasions on which I disagree with Hon Alison Xamon. I know Hon Alison Xamon feels that the Department of Education sometimes makes educational infrastructure decisions on a political basis. I disagree with that. As Minister for Education for almost six years, I never saw the department make that kind of decision. Clause 8(2) outlines what Infrastructure Western Australia will have to consider —

- (a) current relevant Government strategies, plans, policies, priorities and forecasts, including —
 - (i) population, economic, financial and environmental forecasts;
 - (ii) land use plans;
 - (iii) strategies, plans and policies relating to the various infrastructure sectors;
 - (iv) any other social, economic or environmental policies;

I can almost guarantee the honourable member that that is what the Department of Education does. It continues —

- (b) the economic, social and environmental value of infrastructure;

I am not going to go through it all again. I just want to defend the Department of Education in this instance, because I think it makes valid choices about where schools need to go. It looks at the demographics. It does not suggest that it will put a particular school into a marginal seat. It makes choices for the right reasons. That is why I specifically asked the minister whether the Department of Education would come under the umbrella of Infrastructure Western Australia. It will, like all departments. I would like to know something that I did not quite get clarification on. Sometimes there are situations in which primary schools are bundled into a group—we all have them; anything from three to six in a calendar year. If there are five to six schools in that bundle, that will be captured by the \$100 million. Will the planning for that then come under the remit of IWA?

Hon SUE ELLERY: The member will remember this. First of all, the IWA assessment will be done before an investment decision is made. The member will be aware that the Department of Education has to make those investment decisions well in advance of purchasing the land and beginning construction. In doing so, it takes into account all the things the member just described. Yes, the Department of Education is one of the agencies for which IWA will be able to assess projects. Before an investment decision is made, a decision is made to bundle up primary schools. That decision will not have been made. The member will remember from his budget processes that it is usually the case that decisions are made well in advance of buying not just one piece of land, but several pieces of land. It may well be that the nature of the proposed investment decision is, in fact, a bundle that triggers the \$100 million threshold. That could well happen. But if a single investment decision was being made that did not meet the \$100 million trigger, the Premier may still make a policy decision to ask IWA to take it into consideration and do an assessment for completeness—to make sure that all things are taken into account. The honourable member was correct when he identified the things that the Department of Education already takes into account. The department comes under some pressure from time to time about those things, because developers have a view that they want to be able to advertise that they are building school X when they are trying to sell land. There are pressure points, and when they do not get the decision they want, they sometimes say that that is because the department's process is flawed, when that is not the case.

Will the Department of Education be captured by Infrastructure Western Australia? Yes, it will. But the actual methodology that will be adopted to handle the investment decisions that need to be made about purchasing land for schools and the building of schools remains to be seen, as does the view the Premier might take about requesting IWA to assess an investment proposal from the department that is less than \$100 million.

Hon PETER COLLIER: Thanks for that clarification. It just reinforced everything I thought. As the minister was speaking, I was thinking that sometimes the Department of Education changes its priorities at relatively short notice—within a couple of years—because anticipated population growth in a particular corridor of the metropolitan area might not eventuate. That happened when I was education minister. That will be taken into

consideration, but, either way, it will be captured. I like to think that IWA will pretty much reinforce the forensic work that the DOE does.

Hon SUE ELLERY: I have no reason to think that that will not be the case. The member is quite right; from time to time, there are projections that we will not need a school for 20 years, but, in fact, we need one in five years. That happens and that will be taken into account.

Clause put and passed.

Clause 9 put and passed.

Clause 10: Annual work programme —

Hon PETER COLLIER: What is an annual work program?

Hon SUE ELLERY: It is best described as its business plan for the year.

Hon PETER COLLIER: If that is the case, is there no consequence for not providing that? Unlike the others, there is no consequence for it.

Hon SUE ELLERY: Maybe I will just ask the member to clarify what he is asking for. IWA must, in consultation with the Premier, prepare a program and submit it, and that program has to cover certain activities. IWA must inform the Premier and then it may make that publicly available. If the member's question is similar to the question that was asked before about whether there is a fine or whatever, no, there is not, but it is anticipated that IWA, like all such organisations, will meet its obligations under the legislation. The Premier of the day will not be happy if it does not.

Hon PETER COLLIER: I am just comparing it with the more formal structures within this legislation. There is a state infrastructure strategy, the response and the annual report. There are consequences for all of that, because IWA is accountable to Parliament, but not for the annual work program. Subclause (5) says that Infrastructure Western Australia may make its annual work program publicly available, so, in fact, it does not have to make it available at all. There is a degree of transparency and accountability for everything else, but there does not appear to be much accountability for the annual work program.

Hon SUE ELLERY: That is a judgement that the member may well make. I am told that it is not normal in the other models that exist for the annual work program to automatically be made public. This body may choose to do that, but I am advised that it is not automatic in the general model. Although the board may make the decision that it is appropriate to do that, and this provision ensures that it can, this is consistent with the way in which other models operate.

Hon PETER COLLIER: That does not comfort me, but that is fine. The body may make the program publicly available, but based upon the comments in the minister's response, it is FOI-able.

Hon SUE ELLERY: Yes, it is.

Hon AARON STONEHOUSE: Clause 10(5) states —

Infrastructure WA may make its annual work programme publicly available.

Is there anything in this bill or perhaps in the Financial Management Act that puts an obligation on Infrastructure Western Australia to produce annual reports or financial reports? I imagine there would be because there is already a statutory requirement for it.

Hon SUE ELLERY: I am advised that it is subject to the Financial Management Act, so it will produce annual reports.

Hon AARON STONEHOUSE: That would cover the financial operations of the agency. It may also contain a summary of some of the work it has conducted over the last year. I am picking up that the body "may" make its annual work program publicly available as opposed to "must" make its annual work program publicly available. Can the minister give me an idea of what kind of information would be in an annual work program that would not be seen in an annual or financial report?

Hon SUE ELLERY: I draw the honourable member's attention to clause 61 of the bill. This refers to the application of the Financial Management Act 2006 and the Auditor General Act 2006 and states —

The provisions of the *Financial Management Act* ... regulating the financial administration, audit and reporting of statutory authorities apply to and in relation to Infrastructure WA and its operations.

That includes the publishing of an annual report and the things that have to be included in an annual report.

Hon ALISON XAMON: Can I confirm that the annual work program may not be automatically made publicly available but that it will be available through the ordinary FOI processes?

Hon SUE ELLERY: I just answered that in response to a question from Hon Peter Collier. Yes, it will be FOI-able.

Hon AARON STONEHOUSE: I thank the minister for pointing out clause 61 to me. This sounds okay to me because it is FOI-able; that all sounds fine. Can the minister give me an example of what kind of information would be in the annual work program that would not appear in a financial report? That will give me an idea of what we might be missing out on. If someone was inclined to get that information through FOI, what might they be looking for or what might be available?

Hon SUE ELLERY: The annual report is published after the reporting year finishes and outlines all the things that have happened and provides the financials. For example, an annual report for 2017–18 is published and normally tabled in Parliament around September 2018. An annual report is retrospective. A work program outlines the work that is going to be done in the year ahead.

Hon AARON STONEHOUSE: That is pretty straightforward. This may be a hard question to answer, but can we expect the board's annual report to foreshadow a work program or what it expects to be doing over the next year?

Hon SUE ELLERY: The board may put that in the report. If the member is familiar with the structure of annual reports of statutory authorities and agencies, he would know that sometimes they state that they began planning work for X, and then talk about a particular project. The board may put that in the report but it will depend on the circumstances.

Hon AARON STONEHOUSE: Just to finish on that point, that sounds okay. I hope that the board adopts that practice, because it is very helpful. Statutory bodies such as the Office of the Auditor General publish a work program that is very helpful to members and the public. It gives us an idea of what is coming on and what has been reviewed so that people can also make submissions going forward. I hope that the board adopts that practice of publishing some kind of idea of what the work program will be in the coming year.

Progress reported and leave granted to sit again, pursuant to standing orders.