

GOVERNMENT PERFORMANCE — PUBLIC SECTOR MANAGEMENT

Standing Orders Suspension — Motion

MR M. McGOWAN (Rockingham — Leader of the Opposition) [11.26 am] — without notice: I move —

That so much of standing orders be suspended as is necessary to enable the following motion to be moved forthwith —

That this house condemns the Premier for breaking promises, in particular in relation to public sector jobs, and for chaotic management of the state in the period since 9 March 2013.

We move this motion very deliberately because this morning the Premier made announcements that directly and deliberately break promises he made before the state election, and what is more, they show further evidence of chaotic management of Western Australia since the government was returned three months ago. We want to have a proper debate in this house about that chaotic management and those broken promises, in particular in relation to the announcement the Premier made this morning that directly contradicts what he said in the lead-up to the election last year and, indeed, directly contradicts what he has said since the election in March of this year. A Premier breaking his word, as this Premier does, regularly, consistently and with seeming aplomb and indifference to the truth requires a proper debate in this house to discuss those issues. I am willing to offer to the government that we undertake a proper suspension of standing orders to discuss those issues along the rules of a matter of public interest, so that each side will have 30 minutes to present its case. That is an hour's debate and leads us up to 12.30 pm, which still gives us time to consider these other matters. I seek an agreement.

Mr J.H.D. Day: We will agree to 15 minutes for each side.

Mr M. McGOWAN: We do not agree to that. There are 1 200 people whose jobs are at risk and there are at minimum 12 major broken promises and/or examples of chaotic management in Western Australia, and the Premier is only prepared to allow 15 minutes of debate in this house when we have had incredibly poor mismanagement of this house over the last three months since the government has been returned. When we came into this house at the start of this week, there was one piece of legislation to debate.

Mr J.H.D. Day: We'll do 20 minutes each.

Mr M. McGOWAN: When we are talking about 1 200 people's livelihoods, it is deserving of half an hour of each side's time. That is fair; that is reasonable. There are 1 200 people's jobs at risk. We will make sure the public of Western Australia understands that this Premier would not allow 30 minutes debate from each side on an issue of such importance—30 minutes of his time to discuss the livelihoods of 1 200 citizens in this state. Surely it is not too much to ask.

Mr C.J. Barnett: Twenty plus 20, which is 40 minutes. We have just agreed to 40 minutes of debate. That's pretty good.

Mr M. McGOWAN: There is much more to debate than just that issue, which is deserving of 30 minutes. As the Premier might note from the motion I read into the Parliament a few moments ago, it is also to discuss the chaotic management of the state since 9 March 2013, in particular, as came to light yesterday, the Insurance Commission of Western Australia now being required to provide a dividend to the state—a rip-off of motorists all over the state. It is something that, again, was not revealed by the government in the lead-up to the election three months ago. Surely, those issues are deserving of 30 minutes of the Premier's precious time. Surely he can provide us with 30 minutes in which to discuss these issues. Once again, the Premier acts in his arrogant and pious fashion without allowing a proper debate on those issues.

Mr C.J. Barnett: Twenty minutes each side?

Mr M. McGOWAN: I can tell the Premier that we can debate it with 20 minutes each side, and he will find that for the rest of the afternoon, there will be suspension after suspension to examine each one of these issues. That is now his choice.

Mr C.J. Barnett interjected.

Mr M. McGOWAN: If the Premier wants that arrangement, we are more than happy, because there are 12 examples of mismanagement and we will raise each of them, one after the other, throughout the rest of today. That is now his choice. Will he give us 30 minutes each side or will we spend the rest of the day debating these issues? It is your choice, Premier.

Mr C.J. Barnett: Twenty each side; take it or leave it.

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Mr M. McGOWAN: We will have 20 minutes each side and we look forward to debate for the rest of the day on these issues. That is fine. Will the Leader of the House amend the motion?

Standing Orders Suspension — Amendment to Motion

MR J.H.D. DAY (Kalamunda — Leader of the House) [11.31 am]: As indicated by me and the Premier by way of interjection, the government agrees to a suspension of standing orders, to allow for a total debate of 40 minutes, with 20 minutes being allowed for each side. I therefore move to add after “forthwith” —

subject to the debate being limited to 20 minutes for government members and 20 minutes for non-government members

Amendment put and passed.

Standing Orders Suspension — Motion, as Amended

Question put and passed with an absolute majority.

Motion

MR M. McGOWAN (Rockingham — Leader of the Opposition) [11.32 am]: I move —

That the house condemns the Premier for breaking promises, in particular in relation to public sector jobs, and for chaotic management of the state in the period since 9 March 2013.

This morning we heard a breathtaking broken promise by Premier Barnett to the people of Western Australia. When he said this morning that 1 200 people in the public sector of Western Australia will lose their jobs, he broke a very significant and solemn promise made before the last election and, indeed, reaffirmed since the last election. This follows a pattern by this Premier of not telling the truth before the election and breaking promises since the election with glittering indifference to the truth in the period since the election—glittering indifference to the promises he made before the election. I will read something out to the house. I want everyone to understand what was said before the election. On 27 September 2012 the Premier said in here —

I make it very clear that there are no cuts, proposed or planned, for staffing within the public sector none at all, and that was made very clear by the Treasurer

On 27 September, he said also —

If the member for Armadale had listened for just a moment, he would have heard me say that there will be no job losses.

The Premier then said to the people of Western Australia on 15 March, six days after the election, “We are not going down the path of forced redundancies; I made that clear in the election campaign. I repeat it today.” We have a copy of the Liberal Party’s public sector management policy. There is not a single mention in this policy of a job being lost. In fact, there are words along the lines of “strengthening” and “protecting” the public service. There is not a single mention of a job being lost. Before the election, we were given solemn and sincere promises, upon which this Premier was elected, to the people of Western Australia that the public sector would not have any job losses, that the public sector would be protected: “In light of the fact 1 500 people a week were moving to or being born in Western Australia, naturally, we need a strong and substantial public sector to service those people.”

We have a Premier who, to get elected, does not tell the truth. He did that a few months before the last election. He gets elected and then he breaks his promises one after another. Here is another example of it. Three months after the election there is broken promise after broken promise, and he does it on the basis that in three years and nine months, when his or his successor’s government is up for re-election, people will have forgotten. That is the modus operandi of the Premier and of his Treasurer and successor—break the promises early and in three and a half years’ time, people will have forgotten. We will continue to remind people that he has once again broken a very significant promise to the people of Western Australia.

Then, in relation to wage issues for public sector workers, we see a cap of 2.75 per cent on public sector workers across Western Australia. But what do we then also see? Those who are in Colin’s club, those working in the “Premier’s Palace” over the road, get 52 per cent pay rises, but everyone else gets 2.75 per cent pay rises.

Mr C.J. Barnett: Including us.

Mr M. McGOWAN: That is the rule in Colin’s club. Those in Hale House, the “Premier’s Palace”, get a 52 per cent pay rise straight after the election. Everyone else—people working in hospitals, teachers in schools, police officers in the community, teachers and the like all over Western Australia—gets 2.75 per cent. But in the Premier’s office we see a pay rise for his favourite sons and daughters 20-fold what anyone else in the public

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sector can expect. What sort of example does his own office set for the public sector and the people of Western Australia? On top of that he has people working for him who do not even have to come to work. He employs consultants at \$100 000 a year on the basis that they can come to the office when required. Mr Wedgwood is employed on call to deliver Browse and Oakajee. He did well there, did he not? The Premier's chief of staff on \$450 000 a year was employed because he was going to bring home the bacon on Browse and Oakajee, but failed absolutely. For rangers in the country, teachers in the far-flung areas of the state, people cleaning, people fixing people in our hospitals and dealing with all the horrible issues that can occur there and child protection workers, it is 2.75 per cent. There is one rule for the Premier and his staff and another rule for everyone else. He sets the worst example as a Premier I have ever seen. Straight after an election he breaks promises, gives his own staff big pay rises and everyone else can go and jump in the lake. That is his standard.

Then we come to front-line services. We have not even seen front-line services excluded from these redundancies. Police, teachers, hospital staff and nurses are not excluded.

Mr C.J. Barnett: They are not.

Mr M. McGOWAN: They are not. Front-line services are not excluded. Despite all of the promises in the lead-up to this point, front-line services in our hospitals, schools and police stations are not excluded. Good luck out there to the people of Armadale who are complaining about crime in their community. Good luck out there, people of Armadale, when we have a Premier who says front-line services are not excluded from these cuts. Good luck to the people of Western Australia when they deal with a Premier who does not think front-line services are important. I am amazed, but police, nurses and teachers are now in the firing line. On top of that, we have other front-line services across Western Australia in the firing line. In the case of child protection, right now, today, as of this month, 615 children known to the Department for Child Protection and Family Support have no case manager, yet the Premier has the gall to give his own staff a 52 per cent pay rise whilst there are 615 children in Western Australia at risk as we speak. Then the Premier goes out and says we will have forced redundancies despite, in the last couple of years, the Premier and cabinet signing off on enterprise bargaining agreements with clauses in them ruling out forced redundancies. They are contracts between the government and its workforce in which the Premier ruled out forced redundancies and today he breaks that solemn commitment between him and his workforce.

It is really quite incredible that this Premier has so little regard for the truth and for the commitments he made. He goes out and breaks them with regularity. I will go over the dirty dozen of broken promises and chaotic management in Western Australia since 9 March. We are seeing the wheels fall off the Barnett bus. There has been chaotic management after chaotic management since 9 March this year. The Premier managed to hold it together until 9 March. He did not tell the people of Western Australia the truth on a range of issues. He held it together until 9 March, got through that and then everything started to fall apart. Let us look at examples.

Today's example is the public sector job cuts. Yesterday's example was a dividend from the Insurance Commission of Western Australia to the government which will, of necessity, mean higher insurance premiums for ordinary motorists across Western Australia. Of necessity it will mean higher insurance premiums for ordinary motorists across Western Australia—otherwise the Insurance Commission of Western Australia is a magic pudding, and I do not think it is. Number three is electricity prices. By the way, we will move to suspend standing orders on all of these so the government can hear them again later. Electricity prices are four per cent higher than what was promised by the Premier and his Minister for Energy. The Premier said to the people of Western Australia four per cent is in proximity to the consumer price index, yet, when it comes to public sector pay increases, it has to be restricted to 2.75 per cent.

Mr B.S. Wyatt: "Four per cent is in the vicinity."

Mr M. McGOWAN: Four per cent is in the vicinity. Why is it good enough when electricity prices are put up but not good enough when dealing with the wages of some of the lowest paid workers in Western Australia? We just passed through this house the bill related to increased business taxes, which the Liberal Party voted for. That was promised and legislated by the government prior to the election. It is a \$527 million tax increase on small businesses across Western Australia. That is only number four.

We have the Swan Valley bypass. The Barnett government actually asked the commonwealth for the money. Then, after the election, it said, "No, we don't want that money anymore." It only wants to take a little bit of it and build half or one-third of a road. That was promised and the government asked the commonwealth for the money prior to the election. The Metro Area Express light rail system, upon which this government was elected—members might remember that one!—was fully funded and fully costed. Where is the MAX light rail system? Now the government says, "We may not be able to do the MAX light rail system. It is a complex system." The government only had four and a half years to sort it out. It made a solemn commitment. I still

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remember the Treasurer; Minister for Transport standing on the road with his huge maps and saying “This will absolutely happen—fully funded, fully costed.” Now it is all complex and it may not be able to happen! The Liberal Party was elected on that one. In fact, it actually won electorates on the back of that commitment.

Number six is the Fiona Stanley Hospital debacle. The information and communications technology and administration issues will be delayed by a year at a cost to the taxpayer that the government will not reveal. Then we have cancer services in crisis at Princess Margaret Hospital for Children and a Minister for Health who says, “We’ve just got to put up with it”, as though he will be the one sleeping in the plastic chairs! That is insensitive to the needs of parents and children across Western Australia.

Then we have, as I alluded to, the massive pay rises for the Premier’s own staff. That is number eight. We have the ongoing use of consultants that we saw recently, including the ones in the Premier’s office and some more broadly who receive extraordinary amounts of money for various activities. Then of course, this Premier lost the Browse project. The Premier set up the site and said it would happen, but it has not. It will not happen. This is a Premier who lost the Browse project that he absolutely said would happen. I do not mean to demean this one, but it is number 12 on the list—the 24/7 police station in Ballajura.

They are just 12; there were lots more but I could not say the “dirty 13”! I came up with the dirty dozen. That is the dirty dozen of broken commitments and failed policy management by this Premier. This state’s management has been chaotic under this Premier. He held it together until 9 March and then he thinks he can go and break his promises and no-one will remember. We will keep reminding people about these failures and about Liberal Party lies that were told to the people of Western Australia in the lead-up to the state election and upon which this Premier was elected. Today’s example is a stunning example of a broken promise that will impact front-line services. That was not revealed; in fact the Premier denied that would happen in the lead-up to the state election. This means our schools, police stations, hospitals and child protection workers, our environment, land management and delivery of blocks and houses across Western Australia will suffer because the Premier cannot keep his word.

MR B.S. WYATT (Victoria Park) [11.48 am]: I cannot let six minutes go. I want to make some comments in support of the Leader of the Opposition. The reality is that the financial circumstances the government finds itself in are all of its own creation. The government has had strong revenue growth since coming to power in 2008. Unfortunately, the Liberal government has not imposed on itself the sort of expense restraint that it demanded of the former Labor government.

The Treasurer demanded a real per capita cap on the former Labor government. Has he been able to impose that on himself? Absolutely not. If he had, he would have had billions of extra money available and this chaos would not be emerging in which the Treasurer of the day, humiliatingly, has to put out a media statement to say the government is freezing consumables such as stationery. That was one of the key responses to this apparently emerging financial disaster over which the government has presided. If there is going to be expense growth averaging 10 per cent a year every year, then eventually that structural imbalance the Treasurer and Premier talk about will emerge, unsurprisingly, despite the fact that there has been healthy revenue growth of 30 per cent since 2008. That is why there was deceit during the election campaign when we talked about tax cuts. I never heard the Treasurer talk about tax increases. I never heard the Premier say, “By the way, the very first piece of legislation my Minister for Finance is going to deal with is a tax increase on the business sector of Western Australia.” I never heard that. I never heard the Premier talk about imposing a dividend on the Insurance Commission of Western Australia. It is interesting that the RAC has just put out a media statement, which reads —

“Prior to the State election the RAC sought assurances from both major parties that ICWA would not be used as a source of additional funds for government through the calling-in of special dividend payments,” Mr Brown said.

“The RAC had been reassured by the State government’s response that the ICWA Act did not allow the payment of such dividends.

Did the Premier then go on and say, “But as soon as we get re-elected, we’re going to change the ICWA act to make sure you do pay dividends. And we’re going to rush it in in such a way that we’re going to make sure you pay it this financial year, because we have frozen the purchase of stationery but we have still blown the books.” Did he say that? I do not know, Premier—release the letter! I want to know whether the Premier, when he helpfully pointed out to the RAC that the current act does not allow the payment of dividends, went on to say, “But that’s all about to change.” It will have an impact on third party insurance—of course it will! What an absurd comment! The Treasurer said yesterday that there would be minimal impact on third party, then no impact on third party, and now he has made a commitment to keep it affordable. Affordable! That sounds to me

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a little like keeping electricity at or around the rate of inflation. That means a 45 per cent increase is actually keeping it affordable! What an outrageous performance by a Premier who went to an election on 9 March, not that long ago, and by which members opposite were all elected. I am sure not one member opposite said to their small business sector—that entrepreneurial spirit and courage the member for Balcatta talked about—“We’re going to increase taxes on you all”; and not one member opposite would have said to their constituents, “Your car rego is going up.” That is why the opposition has moved this motion and why I am stunned the government would accept 30 minutes for each side to debate this; and that is why the opposition will continue to raise this issue throughout the remainder of the day. If the government is not going to be honest and transparent, then it can expect to explain itself in the Parliament.

MR C.J. BARNETT (Cottesloe — Premier) [11.52 am]: Here we are, having agreed to a suspension of standing orders to debate what is a sort of scribbled out couple of sentences from the Leader of the Opposition, and yet the incredible thing was—so urgent was this to debate the changes to the public sector—that the two speakers from the opposition barely mentioned it! They barely mentioned it!

Several members interjected.

Mr C.J. BARNETT: For 13 minutes, the Leader of the Opposition went through the election campaign and talked about broken promises; it was a general spray. Did he, at any stage, actually address the detail of the changes to the public sector? No, he did not. He did not address it, and neither did the shadow Treasurer.

Mr M. McGowan: You’re losing it, my friend!

Mr C.J. BARNETT: They did not address it! It was just a general spray! Typical old fodder for the Parliament; nothing about what we announced this morning!

Mr P. Papalia interjected.

Mr C.J. BARNETT: Well, they did not! It was ill-prepared and it was a just a general stunt speech! That is all it was! Pathetic, absolutely pathetic!

Mr P. Papalia: Is that all you’ve got?

Mr C.J. BARNETT: No, I have a lot to say—I still have 20 minutes on the clock!

If the opposition is going to come in and suspend standing orders on a topic—public sector management—then it actually needs to address the topic. That is, sort of, convention! So let me address the topic, because the opposition did not in 20 minutes.

Mr P.C. Tinley: Who are you? Who are you?

Mr C.J. BARNETT: I am the Premier—who are you?

Several members interjected.

Mr C.J. BARNETT: Clearly, the state has a financial issue to deal with. We have seen the price of many commodities fall, and the mining industry is not as hot as it was in the latter part of last year. There has been a \$400 million reduction in GST for the coming year, and so on. That has to be addressed.

The reality of the state government budget is that 45 per cent of total spending goes on wages and salaries, so if we are to make financial corrections we have to also deal with that 45 per cent of expenditure. The total wages bill accounted for by wage rises and increases in the number of employees has been significant, growing at more than eight per cent. That clearly cannot continue if we are to keep our finances in good order, so we have to deal with it.

What was announced this morning by the Treasurer and I—the issues the opposition failed to address in the motion it moved—was four changes affecting public sector management in this state. The first is the imposition of a salary cap on individual departments and agencies; not a full-time equivalent cap, but a total salary cap—a change in direction. We also announced a new wages policy that will affect the WA Industrial Relations Commission, and the Salaries and Allowances Tribunal, which is us so we are in it, too. I will leave those two items to the Treasurer. We also announced details of a voluntary redundancy program, and the introduction of involuntary, if you like, forced redundancies.

Ms M.M. Quirk: Is that a scribbled bit of paper you have there, yourself?

Mr C.J. BARNETT: Yes, but it is not a formal motion. These are my notes. Look at that for a formal motion! That is childlike scribble! The opposition did not even take the time to present a properly drafted and written motion, such was its preparation.

Several members interjected.

Mr Mark McGowan; Mr John Day; Mr Ben Wyatt; Mr Colin Barnett; Mr Troy Buswell; Acting Speaker; Mr Joe Francis

THE ACTING SPEAKER (Mr I.C. Blayney): Members, Hansard will find it quite hard to keep up with this stream that is coming.

Mr C.J. BARNETT: I want to address and inform all members of the changes announced this morning relating to redundancy provisions. First, there will be a voluntary redundancy offer.

Ms M.M. Quirk: At least it's not on the back of an envelope, I suppose.

Mr C.J. BARNETT: How can I deal with such blistering intelligence!

A voluntary redundancy program will be offered over 2013–14 year with a target of 1 000 voluntary redundancies. They will be targeted and they will be voluntary. It will be a generous offer. Obviously, any employee who takes voluntary redundancy would retain any leave entitlements—holiday leave and so on; but the actual redundancy offer is three weeks' pay for each year of service, plus 20 weeks' pay in lieu of notice. The current provision is 12 weeks in lieu of notice; this will be 20 weeks, up to a maximum of 72 weeks' pay for someone taking voluntary redundancy. That is limited for the time of this offer. The estimated cost of the payouts, assuming the take-up is 1 000, is around \$100 million; the annual savings projected forward will be about \$75 million a year. This state government has had three redundancy packages since first being elected in 2008, and some 1 100 people have taken those voluntary redundancies. This is a further 1 000. I expect the take-up will be there. I expect there will be a significant number of public servants who will see this as a limited time offer, a generous offer, and they will take it up. Time will tell. But if people wish to apply for voluntary redundancy and their chief executive officer agrees, give them the choice. This is a generous offer to them.

Mr W.J. Johnston: No, it's not; it's below industry standard!

Mr C.J. BARNETT: Let us see what happens!

Mr W.J. Johnston: The industry standard is four weeks.

Mr C.J. BARNETT: Let us see what happens, shall we? The offer is out there and there is no compulsion; people can put their hands up if they wish to.

We also foreshadowed that we would make changes to the Public Sector Management Act to introduce into Western Australia involuntary, or compulsory, redundancy. I make the point that the commonwealth government and every other state government has such provisions in place. We are the only state that does not have them. Currently, there are around 76 people —

Mr M. McGowan: Why did you break your word?

Mr C.J. BARNETT: I am addressing the topic. The Leader of the Opposition failed to address his own topic.

Mr M. McGowan: You broke your word.

Mr C.J. BARNETT: At least I am addressing the topic. The Leader of the Opposition did not address the topic.

Several members interjected.

Mr C.J. BARNETT: There are currently 76 people on the redeployment list. There would probably be a similar number of people in agencies who do not have an effective job. Maybe the job has disappeared; maybe they do not have the skills for new jobs or the experience in the department. We have at least 76 people on redeployment. Some of them will move into other agencies. There are probably—I am guessing—another 100 people or so throughout the public sector who are in similar situations. If members talk to any CEO or any director general, they will say, "There are people in our agency who are being paid but who are not gainfully employed and I can't find a role for them." I do not think the taxpayer should continue to simply pay a salary to someone who is not gainfully employed.

Compulsory redundancy is the last resort. That is after every effort has been made to find a person a job in that agency, to transfer them to another agency or, indeed, to offer retraining or the like. It is the last action taken. Every other state, as well as the commonwealth, does it. Compulsory redundancy—I will use that term so I do not get confused—does not carry the enhanced remuneration in lieu of notice. For voluntary redundancy, it is 20 weeks in lieu of notice. For ongoing compulsory redundancy, it will be at the normal rate of 12 weeks. I think that many of those people who are underemployed or effectively unemployed but still receiving pay will probably put their hand up for an involuntary redundancy because it is more attractive.

Mr D.J. Kelly: You'll use involuntary redundancy as a threat over people's heads. If they don't take a voluntary redundancy —

Mr C.J. BARNETT: You would talk about threatening people! You have got to be joking—you of all people in this house, a former union thug now —

Mr Mark McGowan; Mr John Day; Mr Ben Wyatt; Mr Colin Barnett; Mr Troy Buswell; Acting Speaker; Mr Joe Francis

Several members interjected.

Withdrawal of Remark

Mr M. McGOWAN: The Premier used a term that was obviously unparliamentary and I ask him to withdraw it.

Mr C.J. BARNETT: I withdraw.

Debate Resumed

Mr C.J. BARNETT: The other point about this is that we need directors general, heads of departments, to have the same sort of management tools for their staff. We are going to see a leaner public sector into the future. Look around the private sector. Wages are frozen. People are being dismissed and wages cut. All that is happening. What we are doing here, and as the Treasurer will outline, is that, yes, we are offering voluntary redundancy, but we are also, across the whole public sector, having increases in total wages in line with inflation. In other words, we are maintaining the real wage level of government employees. We are maintaining real wages. That is not happening to the majority of people who work in the private sector. If members go through the media, particularly at a national level, they will find that there have been forced redundancies in their hundreds and their thousands across this country. It would be irresponsible for any government to sit here and pretend that is not happening. That is what we are doing.

This is a responsible action, it is a necessary action, and it is an early action to protect wage levels in real terms in the public sector and to protect the long-term security of those people who do not take a voluntary redundancy. I think this is a correct decision for the economic circumstances we find ourselves in, but in terms of better managing public sector employees, this is good for long-term management and reform within our public sector.

I have finished my comments. I took only 10 minutes. I am sure the Treasurer will have something to say. But at least the newer members of this house on either side should note that we have talked to the Labor Party's motion, which it failed to talk to.

Mr M. McGowan: Honestly, you talk rubbish; you do. It's rubbish.

MR T.R. BUSWELL (Vasse — Treasurer) [12.04 pm]: Leader of the Opposition, I just listened to what the Premier said for 10 minutes. I did not think it was rubbish at all. I thought he made some very, very important points about the need to reform the fundamental way in which we go about doing business in government here in Western Australia. Ultimately, the Leader of the Opposition can work through his bluff and his bravado around this issue today. The question that will be asked of the Leader of the Opposition is: will he support the introduction of the involuntary severance provisions into the public service act in Western Australia? Will he or will he not? That, I think, is the question.

An opposition member interjected.

Mr T.R. BUSWELL: I know the member will not, but my question is: will the Leader of the Opposition support these provisions when they come into the house?

Mr M. McGowan: I'm going to respond.

Mr T.R. BUSWELL: Are you just?

Mr M. McGowan: I'll wait.

Mr T.R. BUSWELL: That is the question, because this is important reform. In some of the Leader of the Opposition's opening comments he said, "I hope the people of Western Australia don't forget what you announced this morning." Guess what? I hope the people of Western Australia do not forget what we announced this morning, because what we announced this morning is some of the most fundamental and significant reform of the Western Australian public sector forever. Members opposite may disagree with that; they may disagree with reform. They may be happy to just keep signing bigger and bigger cheques to deliver government services, but we are changing —

Mr B.S. Wyatt interjected.

The ACTING SPEAKER (Ms J.M. Freeman): Member for Victoria Park!

Mr T.R. BUSWELL: I am very pleased to be part of a government that is delivering this reform. I think that when members opposite go out into their constituencies, perhaps beyond the union meetings, and talk to people around WA, they will find that those people support what we are doing on the proviso that it is implemented sensibly, and that is exactly what is going to happen. Read the detail of what has been announced today. It is fundamental reform delivered in a sensible, responsible manner.

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I am going to reflect on a different state in Australia that is not dissimilar to Western Australia in many ways, and that is Queensland. I suspect that at some stage over the last five to 10 years the state government of Queensland was given advice that is not dissimilar to advice that we have received recently; that is, the government has major structural challenges ahead. The government has some fundamental imbalances between the rate of growth of spending and the way it is doing business and its capacity —

Several members interjected.

The ACTING SPEAKER: Members! The Treasurer has the call. It does make it hard for Hansard when you all interject at the same time. The previous Acting Speaker and I are giving latitude, but you have to appreciate that Hansard needs to be able to record the debate.

Mr T.R. BUSWELL: I suggest that that advice said that if the government does nothing, the results will be catastrophic. What are those results? They are state deficits in the order of a couple of billion dollars a year, and state debt over \$50 billion and spiralling. At some stage, some government—that is, the Newman government—would have to come along and sack thousands and thousands and thousands of public servants. We are not going to do that. I think we are responding sensibly and appropriately to the circumstances that we find ourselves in. The circumstances that we find ourselves in, as I have said many times before, are matters around a structural imbalance in the state's finances. We have announced a number of mechanisms to deal with that. Today's announcement is probably the most significant, although there still will be more because we have to fundamentally reform the way we go about the business of being the government of Western Australia. It is hard; it is difficult. It will be problematic and it is a challenge, but I can tell members that this government and this side of the Parliament are absolutely up to that challenge. We are absolutely up to that challenge because we refuse to leave as our legacy —

Several members interjected.

The ACTING SPEAKER (Ms J.M. Freeman): Members, please! The Treasurer has the floor.

Mr T.R. BUSWELL: I will just move on and quickly touch on a little of the detail of what we have talked about today. The Premier has highlighted two of the tools that will now be available to management within the public service to better manage their agencies. The government has made some other decisions. One of those decisions is around the introduction of agency salary caps, basically saying that the total wages bill of government will grow by the rate of the consumer price index. In effect, that moves away from the FTE cap as the major management tool to an agency salary cap. The agency salary cap will be based on the agency salary for this financial year and it will then increase by the rate of CPI. Of course, I should point out that there is the capacity for that to change as we bed in our election commitments, as governments make discrete decisions of government and if funding is made available from external sources—for example, federal government grants or other contributions that may be made from industry. To support that, the wages policy will change. The wages policy has been that we would negotiate from CPI up to the wage price index, with any increase subject to productivity gains. It would be fair to say that on assessment, very little has been delivered in terms of productivity gains. Our negotiation position will now be CPI. To further support that —

Several members interjected.

The ACTING SPEAKER: Members, stop it!

Mr T.R. BUSWELL: To further support that—members opposite might want to listen to this—we will bring into the Parliament changes to the Industrial Relations Act and changes to the act in and around the Salaries and Allowances Tribunal. Those changes will require those bodies to take account of the state's financial position. They will also have to take into account the state's fiscal strategy, which will include the state's wages policy.

Mr B.S. Wyatt: You're farming out your responsibility to them!

Mr T.R. BUSWELL: We cannot direct those agencies in terms of their ultimate determination as they work through their processes, but we can through legislation certainly provide guidance, particularly in relation to the application of the state's wages policy, and that is what we intend to do.

As I said in my introductory comments, we need to fundamentally reform the way we go about doing the business of government in the state of Western Australia because there are elements in what we do that are simply not sustainable. We need to do that —

Several members interjected.

Mr Mark McGowan; Mr John Day; Mr Ben Wyatt; Mr Colin Barnett; Mr Troy Buswell; Acting Speaker; Mr Joe Francis

Mr T.R. BUSWELL: A part of the strategy to deliver on that is reform of the Western Australian public sector. The announcements today deliver on that reform. I challenge members opposite to open up the record books of this state —

Several members interjected.

The ACTING SPEAKER: Members!

Mr T.R. BUSWELL: They will never find —

Several members interjected.

The ACTING SPEAKER: Member for Victoria Park! Member for West Swan!

Mr T.R. BUSWELL: They will not find reform of this magnitude. It is important reform; it is reform fundamental to the long-term sustainability of the state's finances.

I will finish up back where I started: will the Leader of the Opposition be supporting the introduction of those provisions around involuntary redundancy?

Several members interjected.

Mr T.R. BUSWELL: I would like to know! I will be very interested.

Several members interjected.

Mr T.R. BUSWELL: Members opposite can come in here and can beat their chests and bleat all they like! I am interested to know whether members opposite are prepared to embrace a contemporary approach to the delivery of public sector management in Western Australia.

Several members interjected.

Mr T.R. BUSWELL: That is not the process or the outcome of chaos; that is the outcome of sound, solid leadership in government.

MR M. MCGOWAN (Rockingham — Leader of the Opposition) [12.13 pm] — in reply: The amazing thing about this debate and the contributions from the Premier and the Treasurer is that they did not address the main paragraph of the motion that we are dealing with—that is, about the Premier breaking promises. He did not actually mention the fact that he broke his word in the lead-up to the election. He was elected on the basis of lies and he did not deal with that in any way, shape or form. This man is the greatest hypocrite ever to walk into this Parliament—the greatest hypocrite ever to walk into this Parliament!

Withdrawal of Remark

Mr J.M. FRANCIS: Madam Acting Speaker, I believe that the Leader of the Opposition knows very well that the words he just used are unparliamentary.

Several members interjected.

Mr J.M. FRANCIS: It has been ruled out time and again by your predecessors, and I ask you to direct him to withdraw that.

Mr B.S. WYATT: Further to that point of order, Madam Acting Speaker, as was discussed yesterday, the use of the word “lies” is not unparliamentary, but calling somebody a liar is certainly unparliamentary, which is not what the Leader of the Opposition did.

Mr M. MCGOWAN: I withdraw.

Debate Resumed

Mr M. MCGOWAN: What I say to the Premier is: this motion was about him breaking his word, as we detailed in the house, misleading the house in the lead-up to the state election and, indeed, misleading the people after the state election. We also heard the breathtaking hypocrisy of the Treasurer. That breathtaking hypocrisy was this: he kept saying that the state's financial position is not good. Who inherited the best set of books in the history of Western Australia five years ago and has now converted it to the worst?

Several members interjected.

Mr M. MCGOWAN: You did, and so did you!

The state debt level four and a half years ago was \$3.6 billion; it is now heading towards \$18 billion to \$24 billion. That was all the government's doing. The people who have to suffer because of the government's poor financial management are those people who rely on front-line services in Western Australia and those

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Mr Mark McGowan; Mr John Day; Mr Ben Wyatt; Mr Colin Barnett; Mr Troy Buswell; Acting Speaker; Mr Joe Francis

people who do hard work in our public sector. They are the ones who have to suffer because of the government's poor financial management.

Mr T.R. Buswell interjected.

The ACTING SPEAKER: Treasurer!

Mr M. McGOWAN: The cream on the cake is the fact that the Premier provides a 52 per cent pay rise to his own staff while he tells everyone else that they have to tighten their belts. That is gross hypocrisy and the Premier needs to own up to it.

Division

Question put and a division taken, the Acting Speaker (Ms J.M. Freeman) casting her vote with the ayes, with the following result —

Ayes (19)

Dr A.D. Buti
Mr R.H. Cook
Ms J. Farrer
Ms J.M. Freeman
Mr W.J. Johnston

Mr D.J. Kelly
Mr F.M. Logan
Mr M. McGowan
Ms S.F. McGurk
Mr M.P. Murray

Mr P. Papalia
Mr J.R. Quigley
Ms M.M. Quirk
Mrs M.H. Roberts
Ms R. Saffioti

Mr C.J. Tallentire
Mr P.C. Tinley
Mr B.S. Wyatt
Mr D.A. Templeman (*Teller*)

Noes (35)

Mr P. Abetz
Mr F.A. Alban
Mr C.J. Barnett
Mr I.C. Blayney
Mr I.M. Britza
Mr T.R. Buswell
Mr G.M. Castrilli
Mr V.A. Catania
Mr M.J. Cowper

Ms M.J. Davies
Mr J.H.D. Day
Ms W.M. Duncan
Ms E. Evangel
Mr J.M. Francis
Mrs G.J. Godfrey
Dr K.D. Hames
Mrs L.M. Harvey
Mr C.D. Hatton

Mr A.P. Jacob
Dr G.G. Jacobs
Mr S.K. L'Estrange
Mr R.S. Love
Mr W.R. Marmion
Mr J.E. McGrath
Mr P.T. Miles
Ms A.R. Mitchell
Mr N.W. Morton

Dr M.D. Nahan
Mr D.C. Nalder
Mr J. Norberger
Mr D.T. Redman
Mr A.J. Simpson
Mr M.H. Taylor
Mr T.K. Waldron
Mr A. Krsticevic (*Teller*)

Pairs

Ms L.L. Baker
Mr P.B. Watson

Mr B.J. Grylls
Mr R.F. Johnson

Question thus negated.