

**Extract from Hansard**

[ASSEMBLY — Tuesday, 16 October 2012]

p6900b-6909a

Deputy Speaker; Mr Mark McGowan; Mrs Michelle Roberts; Mr Troy Buswell; Mr Tom Stephens; Mrs Liza Harvey; Mr John Kobelke

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**STATE BUDGET 2012–13 — POLICE BUDGET — FRONT-LINE SERVICES**

*Matter of Public Interest*

**THE DEPUTY SPEAKER (Mr M.W. Sutherland)** outlined that he was in receipt within the prescribed time of a letter from the Leader of the Opposition seeking to debate a matter of public interest.

[In compliance with standing orders, at least five members rose in their places.]

**MR M. McGOWAN (Rockingham — Leader of the Opposition)** [3.06 pm]: I move —

That this house condemns the Barnett government for its mismanagement of the state's finances, particularly the mishandling of the police budget.

Over the last few weeks, we have seen the unravelling of the police portfolio in Western Australia. If we were to compare the police portfolio with a commonwealth government portfolio, it could be compared with defence. One of the most significant and important responsibilities of a state government is to deliver the services that provide safety and security for the people of Western Australia. The police portfolio is very important in retaining people's confidence in being safe and secure in their own homes, and in being able to go about their business confident that their security will be taken care of by a force that is well resourced, has good morale and capacity, and is out there looking after the interests of ordinary law-abiding citizens in Western Australia.

We have seen that unravel over the last couple of weeks. We have seen shambolic management of this portfolio on a level that we have not seen before. We did not see this under the former minister; he did not have the problems that have now arisen. We have seen a loss in confidence in the minister and a loss of confidence in the government. We have seen a loss of confidence in the government from the police force in general and from individual officers. We have also seen a loss of morale and faith in the capacity of the government to carry out its duties in relation to policing in Western Australia.

Over the last few weeks, upper house committees have revealed that a significant cut—or “saving”, as the Premier called it—was to be put in place in relation to the police portfolio. It turned out that that cut was to be, after a period of time, an amount of \$37 million. The government was going to freeze growth in police positions and the filling of vacant police positions in order to bring about that cut. This is contrary to the promise that the government went to the last election with; one of the fundamental promises that it took to the last election was the Liberal plan for police, in which it indicated that it was going to recruit an additional 500 officers over five years, and an additional 200 specialist officers to boost police resources. We already know that the government has broken its 500 police officers promise, because that was subsequently converted to 350 officers and 150 auxiliary officers. No convoluted examination of the English language will allow the government to escape the fact that it is a broken promise. We found out in the last few weeks that the government will cut the number of police officers. That means that since it gained office, the total number of police officers has grown by 143. There is absolutely no way the government will reach the commitment it made to the people of Western Australia, particularly because at the time of the next election it will be four and a half years since this government formed office and if it is successful at the next election, by September next year it will have been in office for five years. There is absolutely no prospect that the government will meet its election promise to the people of Western Australia. That is a significant broken promise—one of many by the government.

The police portfolio went into disarray and we saw the Commissioner of Police being publicly attacked by the Minister for Police. The government reappointed the Commissioner of Police only a matter of a month or two ago and he was attacked and under assault by the Minister for Police. On the day that the opposition raised this issue—on the first day back at Parliament—the minister held a press conference at lunchtime to debate these issues publicly. Hallelujah! What do the minister and the government say? They say that they have secured peace in our time. They were running out there with a piece of paper saying, “We've secured peace in our time because we're going to reinject \$26 million back into the police portfolio.” The government said there has been a reinjection of money back into the police portfolio. The government has taken away \$37 million from the police portfolio but because it is putting back \$26 million, it says that is a peace-in-our-time Neville Chamberlain-style victory for the Liberal Party of Western Australia because the government has reinjected some of the money it was going to take away from the police service. We will get to the bottom of where that money has come from. As I understand it, that money was to be put into the midyear review for enterprise bargaining agreement purposes. The government brought forward money which it was already going to provide and which had to be provided to the police service to meet increased wage cost pressures in the portfolio. Overall, despite the claim by the Liberal Party to have secured peace in our time, we have seen a cut to the police portfolio at a time when offences against the person in particular are rising. I have faith in our police force. I understand the value of our

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police and that they provide safety and security on our streets. When offences against the person are rising, we have seen a cut to the police portfolio.

The opposition conducted a broader analysis of what the government has done during its four years in office. We looked at the things the government has spent money on by examining all the annual reports of the agencies. The senior executive service—the most senior bureaucrats in Western Australia—has increased by 105, or 28 per cent, in four years. Very conservatively estimating their salaries at \$250 000 each, that is \$26 million on additional senior executive service bureaucrats in Western Australia every single year because of the government's growth in the public sector. Funnily enough, that is exactly the same amount the government is putting back. The government has created six additional government agencies. When it puts in place six additional public sector agencies, of course there will be massive growth in SES numbers and of course that will mean a massive growth in bureaucracy and in expenditure on the most senior public servants. That is a direct result of the decisions the government has made. That is an additional \$26 million per annum that the taxpayers need to pay for just to meet that cost. That is on top of all the other issues we have raised over the years, including government waste. The energy portfolio is a classic example of that with \$730 million in losses or blow-outs in that portfolio. We are just waiting to see what happens with the Ord and what our return will be on the \$315 million plus investment there. There has been \$26 million worth of additional expenditure on the most senior bureaucrats in the public sector.

On top of that, we have learnt that a whole range of police stations are now either understaffed or closed throughout the south west, great southern and the wheatbelt. Police stations are either closed or understaffed—barely staffed, one might say—throughout the wheatbelt. Tambellup, Dumbleyung and Kondinin are already closed. Others with one officer or no relief—so, in effect, a station that cannot be staffed—include Wickiepin, Kellerberrin, Bruce Rock, Bencubbin, Narembeen and Quairading. Koorda Police Station has one officer with no relief and so, in effect, the station cannot be staffed because the officer has to leave the station to undertake his role. Police stations throughout the wheatbelt, great southern and the south west have those problems. I might have misstated Kellerberrin; it has two vacancies out of five with no relief. Police stations around the state have huge staffing problems and the government is undercutting the agency's budget. The people of the wheatbelt, south west and great southern deserve better than that. The police stations are important to those communities and deserve to be staffed with police officers.

They are the sorts of things we have seen going on in this portfolio while at the same time we have seen a massive growth in the number of senior executive service bureaucrats in Western Australia. We know this only because an upper house committee got the information. We know there are significant issues in the planning portfolio too because an upper house committee got that information as well. When we ask the Premier these questions, as I have regularly done in question time, he refuses to reveal what is going on in the other agencies. He refuses to reveal that information. Ministers refuse to reveal information when we ask them questions on notice about what is happening with the efficiency dividends and the cuts. It is a fair question. Why cannot the public know? They are the ones who pay for it. We get glib answers like, "I had a meeting with the Department of State Development and we might cut some travel." That is the sort of answer the state of Western Australia gets from the Premier on this issue in Parliament. Everything that is going on in every single agency should be tabled if the government wants any semblance of appearing to be an open and accountable government. Every single minister should table what is going on in each of their agencies. That information is easy to compile because ministers know exactly what is going on now. We found out what was going on in the police portfolio and we know something very serious is going on in the Department of Planning portfolio. That is what the government should be providing to the people of Western Australia if it wants to be open and accountable. I know what the government will say. It will say that it has had to cut its cloth to suit the times and that it is because of the GST deal—we have heard the government say that—which the former Liberal government foisted upon the state. Of course the government has to cut its cloth and live within its means, but it cannot just provide a snapshot of today and not look at its past record. When the government increases debt from \$3.6 billion to \$14.5 billion today and \$18 billion at the end of the next financial year, according to the budget, what does that do to interest payments when we look at what the cost is for Western Australia —

**Mr T.R. Buswell:** Interest rates?

**Mr M. McGOWAN:** I said "payments".

**Mr T.R. Buswell:** No, you didn't.

**The DEPUTY SPEAKER:** Members! Carry on, Leader of the Opposition.

**Mr M. McGOWAN:** The Treasurer's ambition is clouding his ears. He is so overwhelmed with his wall-to-wall coverage. *The Sunday Times* is now the "Buswell Times". He is so overwhelmed that he cannot hear clearly.

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What does it do to the interest payments? In 2008–09, the interest payments for the general government sector were \$121 million and in 2015–16 the interest payments on this government's debt will be \$721 million per annum, with a consequent increase in each of the years in between. Interest rate payments have gone up by roughly 500 per cent and there has been poor economic management. Revenues to the state have increased over the past four years by 30 per cent, yet the government has been unable to live within its means. The Minister for Regional Development has spent \$315 million on a project, the return on which we do not know; indeed, we will watch that closely. The Minister for Energy lost \$730 million on the solar rebate scheme blow-out.

**Mr J.H.D. Day** interjected.

**Mr M. McGOWAN:** That is absolutely accurate and the member knows it. The former Treasurer said in this house that he told the Economic and Expenditure Reform Committee how shocked he was by the performance of that agency and the Minister for Energy. There was \$400 million there and another \$330 million in blow-outs in Muja, in Horizon's undergrounding of power and in the Port Hedland power procurement process. With losses like that, of course it is difficult to cut the cloth to suit the times. But the government cannot say that the problem we face today is not part of its doing; it is a significant part of its doing and its management of the state's economy and it is why we are facing this financial problem, because the government inherited the best set of books on record.

**MRS M.H. ROBERTS (Midland)** [3.22 pm]: The police budget of this state is in the most shambolic state. It has been in the shambles for some six months and that has had dire consequences on Western Australia Police and on the morale of police officers. Indeed, many officers have remarked that they believe it places their lives in jeopardy. That is not being said by an isolated officer; rather, it is being said by a lot of officers across the board.

In the May budget mention was made of the \$21 million, two per cent so-called efficiency cut, which came on top of earlier cuts to the budget. We continued to ask questions about that, because we should have known by July where the police budget stood and where the \$21 million worth of cuts were coming from. However, the government did not provide any clarity. During the months of July and August, it could not say how it would make those so-called \$21 million worth of savings. Out of the blue a couple of weeks ago, the Treasurer said that he wanted to gouge another \$10 million from the police budget. When that figure is added on, we reach a figure of \$31 million. A week later, the Commissioner of Police appeared before an upper house committee and detailed another \$6 million worth of funding he had to find from his budget. The tally has grown to \$37 million. In addition, the opposition happens to know that the police industrial agreement is not fully funded in the police budget, nor is the demand for Government Regional Officers' Housing. I will be looking very carefully at the midyear financial statement at the end of the year to see whether those things are all fully funded. Today we heard that somehow \$26 million will be given back to the police. Although I welcome any money being returned to the police budget, we need some clarity from the government about the exact size of the cuts. One of the Treasurer's interjections was "Get your facts straight." I will be keen to hear the Minister for Police, the Treasurer or the Premier describe the current situation. What is the size of the current cuts? How much of the \$21 million still needs to be made up? Is the \$10 million that was referred to and the further \$6 million that the commissioner referred to completely off the table? Perhaps the Treasurer can outline whether he is saying that with \$26 million returned, the \$16 million we heard about in the last couple of weeks—the \$6 million that the commissioner referred to at the committee, plus the \$10 million that the Treasurer alluded to the week before—is off the table and that, in addition, \$10 million of the \$21 million is no longer being cut. Is that the case? I am not asserting that; rather, I am asking the Treasurer whether that is the case. Is it the case that he requires about \$10 million for the GROH demand and the police industrial agreement and that what he has simply done is given the police that \$10 million for that demand pressure that was on the budget—a demand pressure that up until now had not been met by this government? If that is the case, the numbers add up differently again. If we take \$26 million away from \$37 million, maybe there is still a \$13 million cut to the budget. Again, the Treasurer should tell the house what the GROH demand pressure is and what the EBA pressure is. I do not know whether it costs \$10 million—it might cost more or less. What is the cost, because we need to know what today's \$26 million represents? The public deserves to know how much, if any, of the \$21 million dividend still needs to be made up, how much of the \$16 million that is being referred to still needs to be made up and how much of the GROH and police industrial agreement money has to be achieved from cuts to the police budget.

This shambles has had dire consequences for our police service. I will not have anywhere near enough time during this debate to detail all of the problems that are occurring in Western Australia Police. However, the cut to overtime is having dire consequences in every district of the state. I will cite just a few examples. I have reams of examples from throughout the metropolitan and country regions of what cuts to overtime have meant and when overtime has been cut. For example, Midland Police Station is operating under a policy of no overtime. I was advised that by a police officer at Midland Police Station. No overtime is available and shift sergeants simply advise that that is because of budget cuts. I am told that all overtime at Wembley station has been cut.

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Examples have been given of cuts to overtime at just about every other station. In some of the messages that I have received from police officers, they detail things such as attending a crash and having associated paperwork to complete and having to wait until their next shift before completing it because they cannot get overtime. A police officer at Wembley Police Station might not get to do the paperwork at his next shift, because his next shift might be on Leederville's busiest night of the week. The Leederville Hotel and the surrounding area might be going off and the officer might need to be tasked there even though he must complete the paperwork from his previous shift. I have been advised that on a number of occasions that has meant that the agreed tasking for Wembley station—I cite this station as an example of dozens of stations that I have heard similar stories about—of three vehicles is sometimes only one or two cars on the road.

I have been given other examples when overtime has not been allowed for the processing of drugs and other substances and paraphernalia that have been confiscated as part of a raid. I am told that on occasion the drugs and other paraphernalia that have been confiscated are placed in a secure safe. Although people may think that that is enough, it is not appropriate to maintain a trail of evidence to secure a conviction. I say that because officers have advised me that drugs and other stuff that are confiscated are not logged into the incident management system. The exact quantities of drugs need to be detailed in the IMS, preferably immediately to maintain the trail of evidence and to do things properly.

Similar situations occur with car crashes, domestic violence issues and so forth in which officers have to continue the paperwork into the next shift. In one subdistrict they gave me an example of how, for their next shift they were due to be the only car on the road for their subdistrict—south of the river in this instance—and we find out that because they had to do several hours' paperwork from their previous shift; there was no car in that subdistrict available for tasking for that afternoon shift. I have other examples. Restrictions at Mirrabooka have meant that there have not been enough officers. The Mirrabooka inquiry team has to start earlier than rostered and finish a lot later to try to keep on top of their workload. It is often unpaid so they can stay on top of the administration duty. This has now stopped and they have been directed to work only the eight hours rostered. The comment from the officer is, "Yes, the budget cuts have affected the front line. Wait till crime files start building up." I have similar stories from Clarkson, Canning Vale and Fremantle. These are very concerning issues around particular crimes that I do not want to detail. The advice on the major crime portfolio area is that overtime has been cut back to essential overtime only; that is, only when a job first comes in—no more overtime for general work or catch-up. It says that they are also cutting back on travel to jobs in regional Western Australia, and I think that should be of great concern.

My colleague the member for Armadale has drawn to my attention what the police debacle has meant to a Roleystone resident. She has a relative who had a psychotic illness and needed to be taken to Graylands Hospital on Friday. There was a bed waiting for him but they could not get a police escort to take him until yesterday. For safety reasons, these patients cannot travel without an escort. While they are waiting for an escort, patients cannot be assessed or medicated. She said that staff told her they have waited five days to have a patient moved to Graylands Hospital. They are just some of the many examples.

We are seeing a shambles. The police portfolio needs to be properly funded. It needs security of funding and there needs to be a complete change in the budget to provide for decent overtime for police officers.

**MR T.R. BUSWELL (Vasse — Treasurer)** [3.32 pm]: We will deal with this matter predominantly I suspect with two speakers, me and then the Minister for Police. I will deal with what I thought was the substantive part of the motion, a withering attack on the government's management of the state's finances. When that matter is dealt with, the Minister for Police will deal with matters in relation to the police portfolio.

Before I start, I offer my condolences to the member for Collie—Preston for his football team's loss in the South West Football League replay of the drawn grand final by 35 points on Sunday. There were two fantastic games by two great country football teams and two great country football clubs. It was great to be there.

**Mr M.P. Murray:** Congratulations to Busselton.

**Mr T.R. BUSWELL:** Busselton won by 35 points.

In reflecting on this government's management of state finances I will start with the latest report this government provided to the public of Western Australia on the state's finances, handed down in September this year; namely, the *2011–12 Annual Report on State Finances*. At a high level there are two observations to make. Under the four budgets of this government we have reached the position of being able to continue to deliver surpluses; to spend a record amount on asset investment the length and breadth of Western Australia; and to keep our AAA credit rating. This year's police budget at \$1.114 billion recurrent funding is the highest police budget in history. My understanding is that overall crime figures have declined by two per cent since we came into government, at a time when the state's population is growing at record levels. In aggregate, at a high level, those figures speak

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for and stand by themselves. In relation to the *Annual Report on State Finances* there are a few points worth bringing to the attention of the chamber. It seems to me to be ludicrous that the opposition is criticising the government's financial management of the state when last year we delivered a \$649 million surplus. Perhaps in light of what has happened over the past decade or so, it is a modest surplus, but in the current circumstances, a very important surplus. Net debt rose to \$14.5 billion, and I want to talk about net debt in a second. We invested \$6.782 billion building stuff around Western Australia. That stuff is schools, hospitals, roads, power generation capacity, water production and water distribution capacity, public transport and all the things the public of this state expect us to invest in. Importantly, our net-financial-liabilities-to-revenue figure at the end of the 2011–12 financial year was 64 per cent—way under what is required to trigger any sort of review of our state's AAA rating position. From an aggregate point of view, whilst there are some challenges at the moment, the state's finances are very robust. Indeed, that financial snapshot is completely at odds with the proposition that the opposition is currently asking the house to vote on. The state's finances are being managed well during a difficult period.

To highlight two points about how good that financial management is, the budget estimate of revenue and the actual revenue outcome for the state differ by \$12 million. That is an infinitesimal miss in what we delivered versus what we promised to deliver through the budget. Similarly, expenses were out by 0.9 per cent. We would not get that if we were engaged in shoddy financial management.

**Mrs L.M. Harvey:** That's right.

**Mr T.R. BUSWELL:** If we were engaged in shoddy financial management by setting a budget and setting some targets, we would miss them by miles. I think we delivered very well in working within our budget last week. Of course, there are some challenges in the state, which the *Annual Report on State Finances* highlighted. For example, revenue is growing at 5.5 per cent when the state's domestic economy grew at 14.7 per cent, so we have a growing state economy and growing population putting a lot of pressure on the government to support it when our revenues grew at about 5.5 per cent, well under the long-run average of 8.4 per cent. We still face some challenges around government expenses and managing salary growth, but that is an ongoing job of work.

The thing I wanted to talk about out of the *Annual Report on State Finances* last year was the amount of money this government invested in asset investments in WA. I have a chart somewhere, but unfortunately it is not big enough for me to hold up. The chart clearly shows there has been a massive increase in the amount of money invested in infrastructure across Western Australia, particularly in infrastructure in the general government sector. Last year we spent \$3.358 billion on infrastructure in the general government sector. The last year Labor was in office that amount was \$2.2 billion, so \$1.1 billion of extra money is being spent on schools, hospitals, roads and the like across the state. It is one thing to come in and criticise the state debt levels—I will talk about debt in a minute—but it is another thing to lack the political courage to identify what projects a Labor government would defer, delay or cancel to bring down that anticipated level of debt. Thus far, I have not heard of one. Interestingly, out of that total of \$3.358 billion, last year around \$1.18 billion was money invested in health infrastructure; \$674 million on educational infrastructure; and \$527 million through Main Roads on roads and related infrastructure across the state. That is a record level of investment driven by this government in infrastructure in the general government sector to support the delivery of services to people right across the state. We did that while maintaining our AAA credit rating. We also did that while producing a budget surplus. I think that is a particularly good outcome.

Of course, as the Premier indicated in question time today, our state finances are somewhat exposed to royalty income. It is a fact that royalties account for about 20 per cent of the state's finances. That is a significant increase on the percentage of state finances generated by royalties over the past five years. That has been driven, firstly, by an increase in royalties; and, secondly, by an increase in other revenue streams, in particular stamp duty, and in particular goods and services tax flows from the commonwealth. Therefore, this state is susceptible to movements in the exchange rate, and we are susceptible to movements in commodity prices. At the time of the last budget, the then Treasurer forecast a budget surplus of \$196 million this year. Two key assumptions underpinned that forecast. The first assumption was that the exchange rate would stay at about 99c across the year. For every one cent movement in the exchange rate, there is an impact of about \$60 million, although the extent of that impact reduces as we get further through the financial year. The second assumption was that the iron ore price would remain at \$US127.30 a tonne. As we know, the iron ore price had a significant dip. The iron ore price has now recovered somewhat to around \$US117 or \$US118 a tonne. But every one dollar movement in the price of iron ore costs us about \$33 million across the financial year. Therefore, we are very susceptible to movements in those two factors.

The fact is that as we headed into September, the exchange rate stayed high, and the iron ore price dropped. That put significant revenue-side pressure on the state's finances. On top of that, the commonwealth made the

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decision last year to bring forward into the 2011–12 financial year around \$300 million of national partnership payments that were supposed to flow this year. Again, that had a significant impact on the state's revenue streams this year. So we were faced with having to make some difficult decisions in government. We were faced with having—as the Leader of the Opposition said—to cut our cloth to suit, and that is what we have done. I do not make any apologies for the fact that we have done that. We announced some corrective measures at the time of the release of the *Annual Report on State Finances*. We will announce more corrective measures at the time of the midyear review.

We made announcements about three main measures that will generate around \$330 million in savings. The first measure is a 1.5 per cent reduction in what we are calling procurement savings, which is really non-employee operating costs of agencies. That will generate savings of around \$80 million. The second measure is that leave liabilities have been capped at current levels. We estimate that will generate around \$100 million in savings, and put some pressures on agencies to manage their leave liability. The third measure is that for agencies that are employing at under their approved full-time equivalent cap, their FTE cap will be adjusted to that lower level, and agency heads will not be able to employ more FTEs without going through a process. We estimate that that will affect around 1 500 positions and save around \$150 million. That adds up to savings of about \$330 million.

In relation to the recalibration of the FTE cap, we have always said that there is an understanding that there may be some agencies—I stress may be some agencies—for which the application of that broad policy will be very difficult to manage. There is, therefore, a mechanism by which those agencies, through their minister, can come back to me and to the central processes of government to have those issues addressed. That is exactly what happened in the case WA Police, and it may happen also in the case of a couple of other agencies. We will just have to wait and see. What happened in the process with WA Police is exactly consistent with the process that we outlined in correspondence to all of the agency heads at the time that the announcements were made. I make no apologies for living within our means in government, and I make no apologies for taking, where we need to, corrective measures to make sure that we are running the state's finances in a sound way.

**Ms M.M. Quirk:** What about meeting your election commitments?

**Mr T.R. BUSWELL:** The member for Girrawheen may be interested to know that we made some election commitments around policing, and we will deliver those. We will deliver the election commitments around policing as a result of the financial position that the police find themselves in—full stop; end of argument.

I am very happy with where we are at in relation to the management of the state's finances. We have delivered surpluses. We have maintained the state's AAA credit rating. We have had a record spend on infrastructure. The ratings agencies, when they run their ruler over the state's finances, give us a significant positive tick. It is all good—all good outcomes.

**Mr P. Papalia** interjected.

**Mr T.R. BUSWELL:** I will not sit down yet. I have not finished. When I have finished, I will sit down.

**Mr P. Papalia** interjected.

*Withdrawal of Remark*

**The DEPUTY SPEAKER:** Member for Warnbro, you should withdraw that.

**Mr P. PAPALIA:** I withdraw.

*Debate Resumed*

**Mr T.R. BUSWELL:** Thank you for your protection, Mr Deputy Speaker.

Again, I make no apologies, and will continue to make no apologies, for making sure that we do everything we can to live within our means. We have delivered a rolling series of corrective measures in and around our management of the public service. It all started when we came into government back in late 2008.

**Mr P. Papalia:** When the state debt was \$3.6 million!

**Mr T.R. BUSWELL:** I will talk about that in a second, member for Warnbro. What was really interesting was that I heard the Leader of the Opposition talk about accountability and being open and the fact that he cannot wait until the midyear review to see the detail of how we will be applying some of the efficiency measures that we are requiring of agencies, and how bad that is. As we headed into the last state election, we received the *2008–09 Pre-election Financial Projections Statement* produced by Treasury at the time. Deeply embedded in that document, at page 63, in one paragraph, there is some commentary about a global adjustment for a three per cent efficiency dividend. That was the first time it had ever been communicated publicly in Western Australia that around \$1.4 billion had been taken out of the appropriations in that financial year, and across the forward

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estimates, as a result of a decision made by the then Labor government. That decision was not communicated to anyone. It was communicated only—because it had to be—through the *Pre-election Financial Projections Statement*. Therefore, for the Leader of the Opposition to harp on about the need to have openness and transparency in relation to the application of efficiency dividends —

**Mr M. McGowan:** We are talking about the cuts you are making now!

**Mr T.R. BUSWELL:** So, to accept the Leader of the Opposition's argument, it was all right for the Labor Party in 2008 to hide it!

**Mr M. McGowan:** We are talking about what you are doing now!

**Mr T.R. BUSWELL:** I want to finish. I will read what this document says.

**Ms R. Saffioti** interjected.

**The DEPUTY SPEAKER:** Member for West Swan!

**Mr T.R. BUSWELL:** The document states —

The dividend is reflected as a global adjustment to the State's finances in this PFPS, and is expected to be allocated to individual agencies as part of the normal process of finalising agency projections in the lead-up to the 2008–09 mid-year review.

In other words, the Labor Party's proposition in this document was that that information should be provided at the time of the midyear review.

**Mr P. Papalia** interjected.

**The DEPUTY SPEAKER:** Member for Warnbro!

**Mr T.R. BUSWELL:** I simply make the point that —

**Mr M. McGowan** interjected.

**Mr T.R. BUSWELL:** No. It was for that financial year. I simply make the point that the Labor Party's standards in government were that these things would be reported at the time of the midyear review. But the Labor Party's standards when it gets into opposition change completely. But we will move on —

**Mr P. Papalia:** You were going to get to the debt.

**Mr T.R. BUSWELL:** I will get to the debt, too. We have, as I said, made a range of savings across government, through a series of efficiency measures. Those measures have literally saved the state billions and billions of dollars. The first measure was the three per cent efficiency cut. I will just make this observation. I can remember standing up in this place and having to defend the claim that with the three per cent efficiency cut, designed by the former Labor government and implemented by us, the wheels of government would effectively grind to a halt—schools would shut, police stations would cease to operate, and queues would form outside hospital emergency departments, because we were applying a three per cent cut. But, guess what? It did not happen! The wheels of government kept turning, and services kept getting delivered. In fact, more services are being delivered now than has ever been the case. We have put in place a range of efficiency measures over our time in government. Had we not put those efficiency measures in place, we would potentially be hundreds of millions of dollars further in debt as we frame up this year's state budget.

I want to touch on a couple of other points around recurrent expenditure. Just because we require our agencies to spend money wisely and we have the financial discipline to apply efficiency measures does not mean that agency appropriation has declined. I will give members some examples by comparing the recurrent expenditure of a number of key agencies in the 2008–09 budget, the last budget of the Labor government, with what happened this year. In health, recurrent expenditure went from \$4.85 billion to \$6.276 billion. That is an increase of just under \$2 billion on spending in health over our time in government. In education —

**Mr E.S. Ripper:** Could you identify how much of that is increased federal funding?

**Mr T.R. BUSWELL:** Does a student care where the funding comes from when they turn up to go to school? The answer is they do not. Does a person driving down the road care? No, they do not. In education the recurrent service spending has gone from \$3.26 billion to \$4.06 billion. Just under \$800 million more is being spent on education this year by this government than was spent in the last budget that the Labor government handed down. Recurrent expenditure for police has increased from \$924 million to \$1.177 billion. That is an increase of \$253 million to assist the police to provide better policing services to Western Australians. In disability services, recurrent expenditure has increased from \$434 million to \$723 million, which is an increase of about \$290 million. In mental health there has been an increase from \$471 million to \$675 million. In child protection, recurrent expenditure increased from \$353 million to \$536 million. The list goes on and on. We are spending

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more, but we are doing it with more efficiency and, I think, in a much better way than the money was previously spent.

Before I close and give my colleague a chance to say a few words about WA Police, I want to reflect on some of the positions taken by the opposition. I will talk about debt and a couple of other things. I think we need a bit of a serious discussion about this over the next couple of weeks; the opposition has been making all sorts of very interesting commitments by way of policy documents over the past couple of months.

**Mr B.S. Wyatt** interjected.

**Mr T.R. BUSWELL:** I do not know—abolition of the tech, which will cost around \$820 million.

**Mr B.S. Wyatt:** You got that wrong, didn't you?

**Mr T.R. BUSWELL:** No, I did not get it wrong. I worked that out.

**Mr B.S. Wyatt** interjected.

**Mr T.R. BUSWELL:** No way. Labor will spend \$820 million to deliver that.

**Mr B.S. Wyatt:** Nice try!

**Mr T.R. BUSWELL:** No, I am right on the money. Labor wants to give back the contracts at Fiona Stanley Hospital and Midland Health Campus. I nearly know how much that will cost, but I reckon it is at least a couple of hundred million dollars. Two things—a billion-dollar hole in the budget. We will talk about that later.

**Mr B.S. Wyatt** interjected.

**The DEPUTY SPEAKER:** Member for Victoria Park! No-one can hear over your bellowing.

**Mr T.R. BUSWELL:** Let me just say one other thing. When we made the announcement to adjust or recalibrate the full-time equivalent positions cap, we gave a very solid commitment: no-one who had a job last week would lose their job. No-one under this government will be removed from a job. They certainly may not be employed up to their anticipated FTE cap, but no-one who had a job last week will lose their job. I was reading with some interest the opposition's comments on reducing the number of people engaged in government communications. Labor will cut the number of staff by 158 people. Let me ask the opposition a question: how will Labor cut 158 people?

**Mr B.S. Wyatt** interjected.

**The DEPUTY SPEAKER:** Member for Victoria Park!

**Mr B.S. Wyatt:** He asked me a question.

**The DEPUTY SPEAKER:** I am asking you now to stop shouting so nobody can hear. You have been going now for a while.

*Point of Order*

**Mr T.G. STEPHENS:** Mr Deputy Speaker, the Treasurer is asking a series of rhetorical questions of the opposition. When the opposition then replies, it seems to be that there needs to be some tolerance from the Chair, unless you have some new arrangements in place.

**The DEPUTY SPEAKER:** The Chair has been very tolerant up to this point in time. Treasurer, come back to the point now and let us move on.

*Debate Resumed*

**Mr T.R. BUSWELL:** The point I am making is that the only political party in Western Australia that will go to the election with a policy to cut jobs is the Australian Labor Party.

**Mr B.S. Wyatt** interjected.

**Mr T.R. BUSWELL:** It is the only political party that will go to the next election with a campaign to cut jobs. It is not this side; it is the opposition.

**Mr D.A. Templeman** interjected.

**Mr T.R. BUSWELL:** It is the truth, member for Mandurah. The member should read his own policy document.

**Mr B.S. Wyatt** interjected.

**The DEPUTY SPEAKER:** Member for Victoria Park, I formally call you to order for the third time today. Treasurer, carry on.

**Mr T.R. BUSWELL:** I will have to conclude because my colleague wants to make some comments on WA Police, but let us make sure that the record shows the following. The state's finances are being measured

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very well. When the ratings agencies run their rulers over this state, they give us the big tick of approval and will continue to give us the big tick of approval, because when we have to make difficult decisions to manage the state's finances, we do it. Do members know what? We will not go to the next election campaign promising to cut jobs.

**MRS L.M. HARVEY (Scarborough — Minister for Police)** [3.56 pm]: I stand to speak against this motion. Today I announced that WA Police will be \$26 million better off as a result of decisions of this government. I also announced that WA Police will be exempt from the full-time equivalent positions cap, which was one of the budgetary measures that have been put in place by the government in response to some of the circumstances that are beyond our control with royalties income and the exchange rate.

The 2012–13 budget for WA Police is \$1.177 billion. That reflects a 20 per cent increase on the budget as it was in the 2008–09 financial year. This is in the context of an increase in population in Western Australia over that time that is running at about the 10 per cent mark.

**Mr J.C. Kobelke:** I missed the percentage. What was the percentage you used?

**Mrs L.M. HARVEY:** It is 26 per cent. The police budget is increasing at a more rapid rate than the population of Western Australia is increasing. To put this also in the context of how the policing effort is being managed, WA Police are out there—their front-line service philosophy is all about tackling crime and keeping the community safe. By tackling crime, they mean tackling personal and property crime, serious and organised crime and technology-enabled crime. Keeping the community safe means crime prevention and emergency and hazard management and all those sorts of things. I am happy to report that the WA Police is doing a very good job in the context of the 26 per cent increase in the budget that it has experienced this year compared with the last year of the Labor government. Interestingly, the policing effort and the increase in resourcing that we have provided to WA Police has resulted in significant impacts on overall crime in Western Australia.

If we compare the 2011–12 September quarter and the 2012–13 September quarter with the 2007–08 quarter for the same period under the previous government, we see that overall crime is down by eight per cent. Total offences against a person—these are the offences that most people hold to be paramount in the policing effort—during that time are down 1.7 per cent. That means that there were 137 fewer offences against people as a result of the policing effort in Western Australia during that quarter. WA Police is doing a terrific job. The police budget has increased. The police are operating more effectively within that budget because of the asset investment program. We have invested in information technology, infrastructure, cars, helicopters and a range of other tools for police that have allowed them to more effectively keep the community safe. Police front-line—WA Police in the —

**Ms M.M. Quirk:** She has lost her place.

**Mrs L.M. HARVEY:** I have not lost my place.

One issue that I feel needs to be addressed in response to some of the assertions that were made by those opposite earlier today is the assertion that Tambellup police station is closed. What I would like to get on record for members in the house is an understanding of how some of those small community police stations operate in the smaller country towns. The police stations are manned by two police officers at any given time. When one officer goes on leave, the actual police shopfront closes and the policing is done from other police stations within the area. Even though the shopfront at Tambellup police station may temporarily close because one of the officers is away on leave, that place will be filled by, I believe, a police officer from Katanning. This is the way policing has always operated in some of the smaller towns, where there is less manpower in the stations. When officers go on leave, other stations fill in to assist.

**Mr T.G. Stephens** interjected.

**Mrs L.M. HARVEY:** The member for Pilbara has an opportunity to speak if he wants to seek the call. I am saying that this is my understanding; this is what I have been advised by WA Police. This is the understanding that I was given when I visited the south west district and I spoke to the officers in Katanning. It is standard practice for bigger police stations in regional areas to outsource their officers over periods of leave and other absences from smaller police stations or, indeed, when officers have transferred out and are awaiting replacement by other officers coming from other areas to replace the vacancy in smaller regional centres.

In closing, it is really important that we also address the need for ministers and our government to act responsibly and to be financially responsible in the way that we spend taxpayer dollars in Western Australia. With a police budget of \$1.77 billion, it is reasonable and in fact a very good practice for us to go through that budget from time to time and to look at places where savings can be made. In areas such as procurement, savings can be made. In many of the stations that I have visited over the past few months, police have identified ways to

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make savings in some of their expenditure and indeed have identified areas where perhaps they have been a bit slack in the way that they have gone about managing their finances in certain small areas of purchasing.

I believe my role as minister is to balance the resourcing of WA Police against the community expectations for their policing service and to ensure that there is not a disconnect between resourcing and the ability of police to do their job. Indeed, in the current environment and especially today, I am pleased to announce that we are keeping our 2008 election commitment of the growth program for police officers by lifting the FTE cap. We have also resourced the lift in the FTE cap to ensure that the police budget is now ahead of where it was two weeks ago. That additional \$26 million will now go towards ensuring that the police can go about doing the best job they can and ensuring that community safety is held paramount in Western Australia.

**MR J.C. KOBELKE (Balcatta)** [4.03 pm]: The motion before the house is about mismanagement of the state's finances, particularly the mishandling of the police budget. That is becoming evident to more and more people every day. All we have heard from those opposite is how much extra money has been spent. The Minister for Police has indicated that from 2008–09 through to 2013, there has been a 26 per cent increase in the police budget. They were the figures that I had as well. But the Treasurer was also saying how all these other departments got huge amounts of money. When law and order has been the number one drum that this government has been beating, when it is out there almost every week talking about how it is tackling crime, how come there is only a 26 per cent increase in the police budget when overall recurrent expenditure grew by 40 per cent? There is increased expenditure by 40 per cent, and the police get 26.5 per cent of it, yet law and order is the number one issue for this government.

The minister also said that that 26 per cent is greater than the population increase, which is currently running at 2.5 per cent or three per cent per annum; it was three per cent in the most recent quarterly figures on an annual basis. That is the case, but the number of new police officers is not keeping up with population growth. Five hundred police officers over five years would not meet that growth, and the government is not even going to meet the 500 over five years.

**Mrs L.M. Harvey:** Yes, we are.

**Mr J.C. KOBELKE:** The minister has a snowball's chance in hell, and she knows that. Again and again, when it comes to law and order, this government is about spin and being dishonest with the people of this state. First of all, the government promised 500 sworn officers, and then it said that some of them will be auxiliary officers. It broke the promise straight off, because it is not having 500 sworn officers; it is having some as auxiliary officers. The government will not even make the 500 if it puts the auxiliary officers in, because of the time spent in recruitment and getting them through the police training school. I know that the officers go straight onto the statistics as soon as they are enrolled in the college. The issue is that the government is not going to meet its commitment. Clearly, up to the election the government will keep saying that it is, knowing that it is not true. That is the problem with mismanagement in the area of police, because if we have a minister who cannot get up and openly and honestly answer questions, there is not the leadership flowing back to the police, from both the minister and the commissioner, to make sure they are given the resources to deliver the results that we need. That is a promise that is going to be broken. The government broke its promise on police officers in schools. I could go on and on about the promises that have either not been fulfilled or clearly been broken.

Clearly, there is an increasing lack of resourcing. What about the application of the management to get the results? We have seen the issue of gun licensing, which the Auditor General did a report on. That is a huge problem. There are thousands and thousands of unlicensed firearms because the police system crashed. I understand that today there is another news item about the licensing period blowing out because the gun licensing system is still not working properly. Myriad problems are popping up, which the government simply is not fixing.

I cannot vouch for this particular complaint, but I know it has been made in a letter that has gone to the minister. It was from a man whose name I will not use, because he did not approach me directly. He has written to the minister about a drive-by shooting in Port Kennedy on Tuesday, 9 October, at approximately 2.00 am. It was only later that day that he actually realised it was probably a shooting and rang the police. The police did not attend the scene until the next day, at nine o'clock on the Wednesday morning. Then, on the Saturday there were serious threats made and commotion at the same property. He rang the police again, and they got there in 40 minutes. That is the pressure our police are under. A drive-by shooting really should be escalated to the highest level, but when so many serious reports are coming in, our police are stretched. So for the minister to have this chop-and-change attitude of cutting back on how many officers police can have and then saying that now they can have them does not inspire confidence that we actually have the political leadership that will give our police officers the priority that they deserve. While this government puffs its chest out and says it has increased police

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spending by 26 per cent, I say, “Take your ball and go home.” In the eight years of a Labor government—twice the period—we increased recurrent expenditure on police by 125 per cent, not 25 per cent.

Question put and a division taken with the following result —

Ayes (26)

Ms L.L. Baker	Mr J.C. Kobelke	Ms M.M. Quirk	Mr A.J. Waddell
Dr A.D. Buti	Mr F.M. Logan	Mr E.S. Ripper	Mr P.B. Watson
Ms A.S. Carles	Mr M. McGowan	Mrs M.H. Roberts	Mr M.P. Whitely
Mr R.H. Cook	Mr M.P. Murray	Ms R. Saffioti	Mr B.S. Wyatt
Ms J.M. Freeman	Mr A.P. O’Gorman	Mr T.G. Stephens	Mr D.A. Templeman ( <i>Teller</i> )
Mr J.N. Hyde	Mr P. Papalia	Mr C.J. Tallentire	
Mr W.J. Johnston	Mr J.R. Quigley	Mr P.C. Tinley	

Noes (30)

Mr P. Abetz	Mr V.A. Catania	Mr A.P. Jacob	Mr C.C. Porter
Mr F.A. Alban	Dr E. Constable	Dr G.G. Jacobs	Mr D.T. Redman
Mr C.J. Barnett	Mr M.J. Cowper	Mr A. Krsticevic	Mr M.W. Sutherland
Mr I.C. Blayney	Mr J.H.D. Day	Mr W.R. Marmion	Mr T.K. Waldron
Mr J.J.M. Bowler	Mr J.M. Francis	Mr J.E. McGrath	Dr J.M. Woollard
Mr I.M. Britza	Mr B.J. Grylls	Mr P.T. Miles	Mr A.J. Simpson ( <i>Teller</i> )
Mr T.R. Buswell	Dr K.D. Hames	Ms A.R. Mitchell	
Mr G.M. Castrilli	Mrs L.M. Harvey	Dr M.D. Nahan	

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Pair

Mrs C.A. Martin

Mr R.F. Johnson

Question thus negatived.