

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

BUDGET STATEMENTS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
MONDAY, 21 SEPTEMBER 2009**

Members

**Hon Giz Watson (Chair)
Hon Philip Gardiner (Deputy Chair)
Hon Liz Behjat
Hon Ken Travers
Hon Ljiljanna Ravlich**

Hearing commenced at 2.35 pm

MOORE, HON NORMAN
Minister representing the Premier,
sworn and examined:

CONRAN, MR PETER
Director General, Department of the Premier and Cabinet,
sworn and examined:

KENNEDY, MR ROBERT
Director, State Administration, Department of the Premier and Cabinet,
sworn and examined:

JONES, MR KEN
Principal Project Officer, Department of the Premier and Cabinet,
sworn and examined:

MOORE, MR GREG
Assistant Director General, State Administration and Corporate Support,
Department of the Premier and Cabinet,
sworn and examined:

SMITH, MR DAVID
Acting Deputy Director General, Department of the Premier and Cabinet,
sworn and examined:

LAWRENCE, MS TANIA
Principal Policy Officer, Office of State Security and Emergency Coordination,
sworn and examined:

PRIDE, MR PETER
Chief Finance Officer, Department of the Premier and Cabinet
sworn and examined:

The CHAIR: On behalf of the committee, I welcome you to the meeting. Before we begin, I am required to administer an oath or an affirmation.

[Witnesses took the oath or affirmation.]

The CHAIR: You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

The Witnesses: Yes.

The CHAIR: These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you may refer to during the course of this hearing for the record. Please also be aware of the microphones and try to talk directly into them. If we have people coming forward, we will place them in front of a microphone. I remind you that your transcript will become a matter for the public

record. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that premature publication or disclosure of the uncorrected transcript may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia, and the committee values your assistance. Members, it would assist Hansard if, when referring to the budget statement volumes, you could please give the page number, item, program and amount in preface to your questions.

Hon SUE ELLERY: I have just one line of questioning, and then I will leave. It will not be me throwing a hissy fit and running out—I have another appointment!

I want to explore the relationship between the Department of the Premier and Cabinet and the Public Sector Commission. As I understand the Public Sector Management Act, section 15 is the provision that allows the minister—in this case, the Premier—to delegate his functions under the act to the newly created Public Sector Commission. What I cannot find in that act—I am hoping it can be eliminated for me—is the way in which the Premier satisfies himself, having delegated that authority, that the functions are being carried out adequately. Is there regular reporting? What are the links between the two, so that the Premier can satisfy himself about that delegation?

Mr Conran: In respect of the Public Sector Commission, I cannot speak specifically about that, but I know that there is regular contact between the public sector commissioner and the Premier. I suspect that that provides the mechanism for assessing how that relationship is proceeding. Of course, there are all the usual procedures in relation to annual reports and other reports to Parliament. That is the method; I do not involve myself directly in the operations of the Public Sector Commission.

Hon SUE ELLERY: In order for the public sector commissioner to either provide advice to the Premier or for the Premier to ask the public sector commissioner something, it does not go through you at all?

Mr Conran: No.

Hon SUE ELLERY: Is there any relationship that you are aware of for the public sector commissioner to get a message to the Premier? Would that go through the Premier's personal office?

Mr Conran: That goes from the public sector commissioner to the Premier.

Hon NORMAN MOORE: Madam Chair, the public sector commissioner is not what we are here for today. That is another sector of the government structure; it is not part of the Department of the Premier and Cabinet.

Hon SUE ELLERY: If I may, Madam Chair, I am actually asking about the relationship between the two. If there is no relationship between the two, that ends the line of questioning, but I am actually trying to establish the extent to which there is a relationship between the two, and one part of the two is here today.

I will ask one more question and it might not go much beyond that. Are you able to give me any advice about how ministers might access the Public Sector Commission? Do they do it through your office, or directly to the Public Sector Commission? Are you aware of how that works?

[2.40 pm]

Mr Conran: I am not sure. Ken, can you —

Mr Jones: Certainly, this year, as part of the Public Sector Commission's performance reporting, advisory services provided to minister's offices were surveyed, so there is some direct contact between minister's offices and the Public Sector Commission.

Hon SUE ELLERY: If a minister wanted to seek some advice about the performance of a director general, for example, does that go through DPC or does it go direct to the Public Sector Commissioner?

Mr Jones: My understanding is that it would go direct to the commissioner. It would not go through DPC. I have provided services to both agencies for annual reporting.

Hon SUE ELLERY: Is anyone aware in respect of the termination of the contract of the director general for the Department of Communities whether DPC played any advisory liaison role in that sequence of events?

Mr Conran: We played no role.

Hon SUE ELLERY: Thank you. That is my line of questioning.

Hon LJILJANNA RAVLICH: Continuing on that line of questioning, it beggars belief, I have to say, Mr Conran, that, in view of the functions of the Department of the Premier and Cabinet, compared to the functions of the Public Sector Commission, there is no doubt that there seems to be considerable overlap. Can I give you a case in point? I refer to “Significant Issues Impacting the Agency” on page 85 of the budget papers, with reference to reform to deliver a more efficient and streamlined public sector. Do you accept that is a function of your agency?

Mr Conran: Yes.

Hon LJILJANNA RAVLICH: Yet, in a press release by the Premier, he states that the role of the new Public Sector Commission will be leadership of the public sector, building the capacity of the public sector, evaluating the performance of the public sector, developing public sector management policies and practices. How on earth can you achieve your outcome in terms of delivering a more efficient and streamlined public sector without direct reference and, if you like, interagency cooperation between the Public Sector Commission and your own agency of Premier and Cabinet?

Mr Conran: I and the Public Sector Commissioner meet regularly to discuss a variety of issues. I might seek his advice on matters; he might seek my advice on matters. We are both members of the Economic Audit Committee. We meet regularly with CEOs as a collective. I keep him informed of things I might be doing on the coordination of policy across the public sector. I have a role that is directed towards policy and policy coordination. He has a role directed towards public sector management. We need to exchange information, but I do not seek to get involved in issues relating to the public sector as a broad whole.

Hon LJILJANNA RAVLICH: What sorts of issues might you seek advice on and what sorts of issues might you provide advice on to the Public Sector Commissioner?

Mr Conran: We might talk about what are the options in relation to a departmental structure going forward and what that might be like. We might meet with a CEO. We certainly talk about amendments to the Public Sector Management Act, albeit he has carriage of those changes of direction. He will seek my view about what I think we could do to improve the operation of the Public Sector Management Act, as he does with all CEOs. Indeed, he has had a series of functions with all CEOs. I was invited to one of those as well. We talk about the Public Sector Management Act, departmental structures and issues like that.

Hon LJILJANNA RAVLICH: Have you spoken about the Public Sector Standards Commission office being amalgamated with the Office of the Public Sector Commissioner? Have you spoken to the commissioner in respect of that matter?

Mr Conran: We have certainly spoken about the issue. I do not think it is unusual that we should speak about that issue.

Hon LJILJANNA RAVLICH: Do you report to the Premier, as does the Public Sector Commissioner?

Mr Conran: That is correct.

Hon LJILJANNA RAVLICH: I am trying to work out where the point of differentiation is and how we end up with a so-called independent Public Sector Commissioner when, in fact, you seem to work so closely together in respect of the implementation of government policy. Can I ask you then: what are the similarities and differences between your role as director general and the key role of public sector reform and the role of the commissioner in terms of public sector reform?

[2.50 pm]

Mr Conran: The commissioner gets his direction and guidance from the Premier and I am a senior CEO. He obviously speaks to me in relation to that matter. If I might just put this in some context, the relationship that now exists—that is, with a separated Department of the Premier and Cabinet and a Public Sector Commission—is not unusual.

In fact, it is the common model all around Australia. The Australian public service has a separate public sector commissioner and a separate Department of Prime Minister and Cabinet. I would have significantly less responsibility for the public sector as a whole than would the secretary of the Department of the Prime Minister and Cabinet. He has a role in relation to the appointment of directors general; I do not have any role. It is similar in Victoria and Queensland. It is the common model. One of the decisions made by the Premier was to separate out the public sector function and the policy arm of government after the election and to develop a model that is more consistent with what exists elsewhere—to lift the policy side of the department and separate out the public sector side. It is a desirable model.

Hon LJILJANNA RAVLICH: With all due respect, the Premier gave a commitment to the establishment of an independent Public Sector Commissioner. You have just advised the committee that the Public Sector Commissioner gets his instructions from the Premier, as do you.

Hon NORMAN MOORE: He said that he reports to the Premier.

Hon LJILJANNA RAVLICH: He reports to the Premier.

Hon NORMAN MOORE: Just as the Ombudsman reports to the Parliament.

Hon LJILJANNA RAVLICH: I think there may well have been an expectation that the Public Sector Commissioner might report to the Parliament.

Mr Conran: With respect, the Public Sector Commissioner will be reporting to the Parliament, because that is a requirement of the operation of the legislation. I do not have the specific detail, but the Premier has been quite clear about the role that the Public Sector Commissioner will play in reporting directly to the Parliament.

Hon LJILJANNA RAVLICH: I will go back to the issue of the overlap on the public sector reform agenda. Are there any areas of overlap between your role as Director General of the Department of the Premier and Cabinet and that of the Public Sector Commissioner?

Mr Conran: Not in any specific way. I am a senior director general. The Public Sector Commissioner consults with me. He consults with every other director general, and that is what we expect because you really do not want the Public Sector Commissioner operating in a vacuum. To further develop that, we had a situation where we had the OPSCC. I would meet with Ruth Shean on a number of occasions as well. I meet with the Ombudsman regularly. I meet with the Auditor General regularly. Part of my function is to engage with them and find out what issues are facing them, whether there is anything we can do to assist, or whether there is anything I should be concerned about. If I was not doing that, I do not think I would be doing my job properly. I do not see a particular difficulty with the fact that I meet with the Public Sector Commissioner in the new expanded role or in the narrow role, because I would be meeting with Ruth Shean if the position remained the same. That is not to interfere; it is to make sure that the processes of government actually work properly.

Hon LJILJANNA RAVLICH: Did the Public Sector Commissioner ever discuss the question of the employment of Ms Susan Barrera with you?

Mr Conran: I was informed of the decision that had been made. That is essentially it; was not involved in any of the discussions in relation to the issue. I am aware of these issues, but I do not seek to interfere in any way.

Hon LIZ BEHJAT: I refer you to “Significant Issues Impacting the Agency”, which begins on page 85 of the *Budget Statements*, but I am more particularly interested in page 86. Something that directly comes under your control is the COAG reform agenda. I look particularly at the second paragraph on page 86, which states, in part —

The challenge for Western Australia now shifts to maintaining the spirit of the reforms by countering onerous implementation requirements and reducing duplication, whilst also maximising opportunities to progress the State’s own policy and reform priorities.

What has been happening in that area recently? More particularly, I would like you to reference any negotiations on the goods and services tax carve-up between the federal government and the states. That is what I am particularly interested in.

Mr Conran: David Smith from my office deals with COAG issues day to day, particularly the various national partnership agreements. I refer that question to him.

Mr Smith: The COAG agenda, as you are aware, has been fairly intense. Over the past 12 months there have been five COAG meetings, which the current Premier has attended and we have supported him in that role. I have a page to hand out, if that is all right. It is a bit of a snapshot picture of these meetings that I find helpful.

The CHAIR: Mr Smith, is that document able to be made public?

Mr Smith: Yes, it is an internal document. It is just our snapshot of where all the agreements are at.

The CHAIR: Do you have a problem with it being made public?

Mr Smith: No.

I will not go through this entire diagram with you, but I will highlight a couple of points. First of all, the breadth of the COAG agenda is represented by all the squares on this page. They all represent individual agreements, if you like, that have been developed between the commonwealth and all jurisdictions. The COAG agenda is quite broad. The other thing to highlight about this is that some substantial reforms were introduced at the end of last year and agreed by the commonwealth and all states and jurisdictions to reduce the number of previous agreements that had been entered into. The light blue boxes across the top represent the six standard new agreements that have been entered into with the commonwealth for financing core services—health, education and so on. Those six agreements effectively replace about 90 agreements that existed between all jurisdictions and the commonwealth. From a state perspective, there is a reduced number of conditions and increased flexibility. Those reforms, I think, have been welcomed by all states and implemented by the commonwealth.

At the same time that that has occurred, a number of what is called national partnership agreements have been progressed under the COAG banner, and that is where we get into the multicoloured boxes below those light blue ones. They range from hospital and health workforce through to national road safety and the east Kimberley development package. I will not go through each of those boxes, but I will provide whatever detail I can if there are questions in that regard. The important thing to note here is that those national partnership agreements cover a variety of areas, as I have said. They are in a variety of forms at the moment. Some have been completed and some are still being progressed. The little legend at the bottom of the diagram describes where those agreements are at.

[3.00 pm]

Despite the reforms that I described earlier about simplifying and increasing the flexibility in the core financial arrangements between the state and the commonwealth, an issue of concern to Western Australia, and I think to other jurisdictions, is that there has been a substantial growth as represented by the number of these multicoloured boxes in the national partnership agreements. We are starting to see in those agreements the same sorts of inflexibilities that the commonwealth was asking of states under the old arrangements. There is a bit of concern that they are both proliferating in number and they are becoming more constrained by the commonwealth. That is an issue that we are working on with the commonwealth and I guess it is sympathetic to that and we, with other states, are working through those issues.

You asked specifically about the GST arrangements. The agreements represented on this page are providing funding to the states through all the mechanisms that the commonwealth provides other than the GST arrangements, so you are going to have this source of funding from the commonwealth to the states under these various agreements and you have the GST arrangements that come via a different set of formulae. In that area, the Commonwealth Grants Commission process is utilised by the commonwealth currently to divvy up the GST pool among the states. I think it is no secret to say that Western Australia has for some time had some political concerns about that process and the methodology used by the grants commission. The grants commission is undertaking currently a major review of its methodology and we have made submissions to that process to ensure that we get a better share, a fairer share. There is also —

Hon LIZ BEHJAT: Is our view that we should be getting more supported by other states as well?

Mr Smith: Other states support reform; they do not necessarily support that reform.

Hon NORMAN MOORE: You are aware of the comments of the New South Wales Treasurer about it.

Hon LIZ BEHJAT: Yes, I am.

This sheet here is actually very helpful and it looks like there is a lot of work being done. I am interested to see under the National Indigenous Reform Agreement that an NP has been agreed, but the Indigenous economic participation program is delayed. Do you know for what reason and whether it has been agreed?

Mr Smith: It has been agreed. I guess this is a diagram that we have been playing around with for some time to try to get it both accurate and useful for our own internal purposes. An NP has been agreed between the commonwealth and the states to provide funding for Indigenous economic participation. That has been agreed and signed off and there are implementation plans that are being developed as sort of the second layer underneath those agreements. From memory, I might need to confirm this, the issue in relation to that is that there are three elements. I think there is one in relation to the conversion of CDP positions, which has been progressed; there are two other elements that have yet to be finalised and agreed on. That is my understanding.

Hon LIZ BEHJAT: Do you know what those elements are?

Mr Smith: I think one is to do with procurement and the other is to do with Indigenous employment in the public sector.

The CHAIR: Would you like to take that as a supplementary question so that you can be sure?

Mr Smith: Yes, please.

[Supplementary Information No A1.]

Hon LIZ BEHJAT: I am interested in that because everyone is talking about Indigenous economic participation everywhere at the moment and there are problems in that sector. It just seems that there is a lot of progress being made in lots of areas here and the one big red light seems to be the area that most people are talking about. Therefore, as much information as you can provide as to

where if there is a roadblock happening and if that is happening federally would be really good to know.

Mr Smith: Other elements are related to that; the East Kimberley development package, for example, has Indigenous employment.

Hon LJILJANNA RAVLICH: I am also interested in the National Indigenous Reform Agreement. I want to ask whether the remote Aboriginal communities framework for sustainability —

Mr Smith: I am on another page, sorry.

Hon LJILJANNA RAVLICH: Do you understand what I am talking about? It is the national framework that aims to achieve sustainable Indigenous communities as a part of its outcome. We have heard from the Director General of the Department of Indigenous Affairs that a framework is being developed. We have also heard that that framework is about putting in place a mechanism to assess whether in fact Indigenous communities are sustainable or not, but it is not necessarily limited to the size of the community but rather to the question of sustainability. I guess I am getting to the point: can you provide this committee with the framework criteria in terms of how will these communities be assessed as being sustainable or otherwise? Also, the Treasurer has put on the record that the final criteria is not going to be judged on the number of residents or the number of dwellings; and, if that is not the case then what will it be judged on?

The CHAIR: I might just pause for breath there.

Hon NORMAN MOORE: I am just trying to work out the relevance of the question in the context of this particular hearing. If it is to do with COAG, that is fine; we can deal with that. But if it is a policy decision at the state level then it is not to do with COAG and it relates to the Department of Indigenous Affairs, and clearly we are not here to answer those questions.

The CHAIR: I will ask for some clarification.

Hon NORMAN MOORE: If Mr Smith can answer some or all of it, but if he cannot then we will take it on notice and perhaps get the information.

Mr Smith: I must admit that I would need to confirm with the Department of Indigenous Affairs because that label is not one that is familiar to me, so I would need to check exactly which program they are referring to. Part of the problem that exists sometimes in the COAG discussions is because of the number of these different labels that are used for different programs.

Hon LJILJANNA RAVLICH: So, sustainable Indigenous communities are not an outcome of COAG under the National Indigenous Reform Agreement?

The CHAIR: Perhaps, I think to be fair, Mr Smith indicated he would look into this. We will take it as supplementary information, but if you can provide information, well and good, but if it is the other department then —

Hon LJILJANNA RAVLICH: Yes, no problem.

[Supplementary Information No A2.]

Mr Smith: I can say, in relation to the Indigenous remote service delivery component of that, there are 26 communities nationwide that have been identified as part of that agreement.

Hon PHILIP GARDINER: My question is a little to do with the same; it is to do with the closing the gap issue, which is dealt with in the first dot point at the top of page 86. But it is also to do with governance and I want to just be clear, if I can, to understand the governance issue. Am I correct that you are really responsible for a policy that is going to be closing the gap, for example, à la that particular paragraph, but then you have a lot of departments who are working on implementing the plans to try to close that gap? Am I right that you are then responsible for which way that gap is moving?

Mr Conran: We are responsible for reporting through to COAG on what actions are occurring in Western Australia, and then that forms the basis of a report longer term to COAG from across all of the jurisdictions. In that sense, we will be coordinating the report on behalf of the Western Australian government. That is our particular role. The Department of Indigenous Affairs has a particular role to drive the process and the director general, Pat Walker, chairs a group of directors general under the title of the Aboriginal Affairs Co-ordinating Committee that meets quite regularly to discuss how we are going in relation to closing the gap issues and dealing with some specific items that the committee is looking at. I know we are looking at issues in some towns such as Oombulgurri and we are looking at pulling together some approaches in relation to the town of Armadale, which is a particularly important area in terms of local Aboriginal communities.

Some interesting work has been done in Armadale. We report back, through COAG, in relation to closing the gap; indeed, we report on all national partnership agreements as to what is happening.

[3.10 pm]

Hon PHILIP GARDINER: Fair enough, but that was not quite what I was getting at with governance. I am going the other way—not to COAG, because we have some idea of what they want. I want to see who is really accountable because, as we know, closing the gap goes across departmental areas; it is not just one department. We cannot blame the Department of Indigenous Affairs for everything. That program must be integrated with all the different programs; otherwise, we will have gaps through which everything will fall. I presume the department of the Premier has some baseline data to know where we are now, so that we can see whether we are moving forward or going backwards. Whose responsibility is it to get the baseline data? Is that your responsibility? Whose responsibility is it to drive the departments to make sure that they are getting somewhere?

Mr Conran: The answer is that a multitude of departments are pulling together the baseline data. It is largely driven by the Department of Indigenous Affairs. In a sense, that department would have responsibility for that. We assist in that process. I see us as holding a joint responsibility with the Department of Indigenous Affairs; that is, if we were not achieving the objectives, I would not want to hold out the Department of Indigenous Affairs responsible for this failure. We are trying to build up the strength of the Department of Indigenous Affairs, like we are trying to build up the policy capacity of every department, which includes their ability to respond to difficult issues in achieving better involvement of Aboriginal people in the economic and social wellbeing of the state.

Hon PHILIP GARDINER: Fair enough. The issue that I am trying to delve into is the implementation of this, and who is really forcing that. I can hear what you are saying. For example, recently I came across a situation in which the Department for Communities, I think, has one person covering the wheatbelt and one person covering the mid-west area for early childhood and family support. One person to cover Geraldton, Mullewa and those places, and another person—only one!—to cover Northam and all of the wheatbelt community, which has all of those Aboriginal communities that I am pretty familiar with, are obviously too few. Do you play any part in driving a change to say that we have to get more resources here because this is such a fundamental plank for our future?

Mr Conran: The answer is that the Department of the Premier and Cabinet, working with DIA and the Aboriginal Affairs Co-ordinating Committee, is looking specifically at those issues. In relation to early childhood, the Minister for Education has responsibility, as does the Minister for Community Services. We are working with both the Department of Education and Training and the Department for Communities to push those issues. The Aboriginal Affairs Co-ordinating Committee identifies a particular problem. It might be that sort of problem, and I will take that one on board. We can look at that and give our assessment in that matter and what we can do to improve the situation there. Rather than come up with theoretical policy options, we are trying to deal with specific problems and to deal with them as quickly as we can. We find that is a better approach to issues. For example, I know that the Director General of Health personally visited Narrogin, as

there was a health-related issue there, and rather than take it back and get a report, the director general decided to deal with the issue on the spot. Our objective is to identify particular problems and then the directors general take responsibility to solve a problem on the ground. That is the approach we are trying to embed throughout the public sector.

Hon NORMAN MOORE: If I may add that the COAG process has determined some uniform approaches that the various governments of Australia were prepared to agree to adopt and to implement. The reporting agency from the state government is the Department of the Premier and Cabinet, in conjunction with ministers who may be involved in particular aspects of the COAG process. It is not the role of the Department of the Premier and Cabinet to run every ministerial agency, obviously, but the mechanism to ensure things are happening is indeed the reporting-back process. When the Premier turns up to COAG and says that he has not got an answer because he did not do anything, that is the transparency aspect and the mechanism that ensures that the COAG processes are being implemented. It is not the intention that the Department of the Premier and Cabinet will run the whole of the government of Western Australia; it is the responsibility of the various agencies and ministers that make up the government. The COAG message goes to the particular agency, and, as we have heard in respect of this issue, Indigenous Affairs is the lead agency to ensure those issues are dealt with in consultation with all the other agencies that have an interest—Communities, Education and Health. The reporting-back process is when the Premier collects the information and goes back to COAG.

Hon PHILIP GARDINER: I am sorry if my questioning contradicted what you were saying. I understood that part.

Hon NORMAN MOORE: I hope people do not think this department should be running the whole of government; otherwise, we would not need other agencies.

Hon PHILIP GARDINER: I understand. My real point is about governance and having a baseline. I am presuming that the department would know the baseline because all those other agencies are going to have, in a sense, to report and coalesce and show that baselines are being improved upon.

Hon LJILJANNA RAVLICH: With all due respect, minister, \$10.66 million has been allocated in the budget for the management of policy, which is a key service provided by Premier and Cabinet. I would think that it would be quite reasonable that Premier and Cabinet would know where policies are at any point in time as a part of its information-gathering and policy-development role so it can report back to the commonwealth.

Hon NORMAN MOORE: Some governments in the past have had very powerful departments of the Premier and cabinet, which have run the policy agenda for all agencies in government and, indeed, have run the public service in their own image. That is not strictly the way in which this government operates. Different ministers and different agencies are encouraged to be part of the solution, as opposed to a policy body sitting centrally that determines all the policy of government. Hon Ljiljanna Ravlich might think that is a good way to do it, but I do not.

Hon LJILJANNA RAVLICH: I will ask Mr Conran, through the minister, what policies are being worked on by the Department of the Premier and Cabinet; in other words, what are the taxpayers getting for their \$10.66 million annually?

Mr Conran: The principle areas that we are working on at the moment are, clearly, a fairly significant COAG agenda. There are specific issues. The government has announced a set of proposals in education. We are assisting the department of education on those issues.

Hon LJILJANNA RAVLICH: What are those issues?

[3.20 pm]

Mr Conran: It is a devolution of schools and how that might be run. We are supporting the education department in that. The education department certainly has prime carriage, but one of the

things that has partly been missing previously is that the Department of the Premier and Cabinet has not taken a supporting role. In a sense, the only supporting role has been through Treasury.

We think that the education department should be supported from a policy point of view. We are assisting it in that, as is Treasury. In relation to health, we have a fairly significant health reform agenda. I think you will be aware that recently there were about three reports out of the commonwealth's sphere, which are coming through at the next meeting of COAG. That meeting will focus on health. We are specifically dealing with that issue and talking to Treasury about that. We are also talking to the Department of Health about how to fit the commonwealth reforms into our health operations. We support the Department of Health in relation to what reforms it might be doing for the public hospital system generally. We need to know what it is doing in regard to activity-based funding because the commonwealth reforms are based around activity-based funding. We need to have an intimate knowledge of what is happening so that when we talk to the commonwealth, we can deal with those issues.

We are pulling together responses in relation to climate change and energy and the interlinks between energy policy and the responses to climate change. There are two elements to that. One is what the Western Australian government's response is to the CPRS proposals. We do not do all the work on that. The Office of Climate Change in DEC has some responsibility, the Western Australian Office of Energy has some responsibility and Treasury does some modelling. We pull together that work. We look at broader issues about adaptation regarding the future of dealing with climate change issues. We also deal with infrastructure issues broadly. Submissions that might go to Infrastructure Australia are primarily done through the Department of State Development. We assist in pulling those issues together. I deal with issues on Northbridge, including the Northbridge Link proposals. I help with policy development work there. I deal with specific issues on the Premier's intentions to see if we can do something about the antisocial behaviour in Northbridge.

Hon LJILJANNA RAVLICH: What is the government doing in regards to the antisocial behaviour?

Mr Conran: It is well known that the Premier has requested that I meet with a variety of DGs to put proposals to the government about what we are doing. I am also meeting with various parties. I have met with the City of Perth, the BIG N alliance and the East Perth Redevelopment Authority. As a result, we will shortly put a series of proposals to cabinet. I am not at liberty to talk about what might happen there. I am fulfilling my requirements set by the Premier.

Hon LJILJANNA RAVLICH: Can you provide the committee with a schedule of the policy areas that you are working on as a priority and also could you provide the committee with the proposals that you are currently preparing for dealing with antisocial behaviour?

Mr Conran: I am not at liberty to deal with issues that are going to cabinet, obviously. That is a matter that will be going to cabinet. I can identify issues in the policy space that we are working on. It will be a fairly long list.

Hon LJILJANNA RAVLICH: That is all right.

Mr Conran: Understand that the Department of the Premier and Cabinet, although it is not here to run every aspect of government, needs to have a broad understanding of policy development in a range of areas. In the minister's area, I am clearly involved with the development of amendments to the legislation to deal with the approvals process and issues like that.

[Supplementary Information No A3.]

Hon NORMAN MOORE: That is the first part of the question. In respect to the other matter, that will be announced in due course when the government has made a decision.

The CHAIR: Just the first part of that question.

Hon KEN TRAVERS: In terms of the areas you are working on, is it part of the DPC's brief to put together legislation to deal with lobbyists?

Mr Conran: That is an issue for the Public Sector Commissioner.

Hon KEN TRAVERS: Is it all under the public service? Do you not have any involvement at all in that from a policy point of view?

Mr Conran: No. He might discuss the issue with me but he has responsibility for it. I do not want to get into having to manage the policy development for lobbyists. I am happy to leave that to the Public Sector Commissioner.

Hon KEN TRAVERS: Do you have any role in controlling the contact between lobbyists and the government with respect to your function and the way in which the ministerial offices relate?

Mr Conran: I will refer to Robert Kennedy on that issue.

Mr Kennedy: Only in the sense that we provide advice to ministerial offices through our accountability and ethical decision-making training about how to deal with lobbyists. We follow the processes that the PSC has and we look at the websites and the forms. If people have questions about how the process works, we will deal with those but often we would refer them to the commission first.

Hon KEN TRAVERS: Do you prepare any materials?

Mr Kennedy: Not hard copy materials, no.

Hon KEN TRAVERS: Does the department now have responsibility for any of the economic or expenditure committees of government under their responsibility in terms of servicing and looking after those committees?

Mr Smith: As part of the area I am responsible for, we provide services for cabinet—the cabinet secretariat role. That includes the two subcommittees of cabinet: the legislation subcommittee and the Economic and Expenditure Reform Committee.

Mr Conran: We picked up the Economic and Expenditure Reform Committee earlier this year. We were asked to do that by the Treasurer and Treasury. They said it was a function that they thought more properly sat with us so that we got a consistent approach to how matters are dealt with by committees or by cabinet.

Hon KEN TRAVERS: Was that decision made at an officer-to-officer level rather than a ministerial level?

Mr Conran: No; I think that the request first came from the minister. The reality is that that was then approved by the Premier because the Premier is in charge of the cabinet processes.

Hon KEN TRAVERS: What date did you take that over?

Mr Conran: We will take that on notice.

[*Supplementary Information No A4.*]

Hon KEN TRAVERS: In general terms, was it pre or post the budget?

Mr Conran: Post.

Hon KEN TRAVERS: Who is now responsible for implementing the decisions of the Economic and Expenditure Reform Committee? Is it Treasury or the department, in terms of monitoring and ensuring that agencies are implementing the policies of that committee?

Mr Smith: EERC is a subcommittee of cabinet.

Hon NORMAN MOORE: Cabinet makes the decisions.

Hon KEN TRAVERS: Is no bureaucracy assisting cabinet to provide reports on whether or not matters are being followed up and implemented in accordance with the decisions that have been made?

Mr Conran: I have always found Treasury vigorous in following up the implementation of budget-related decisions. We generally look at issues in relation to implementation. Ministers are responsible for ensuring that the decisions pertaining to them are followed through, as are the departments. We have not chosen to set up a cabinet implementation unit, which is a model that some other jurisdictions have.

I do not think I would want to approach the Treasury and say, “I need another 10 FTEs to go and monitor departments”, because I am not sure that that is, at this stage, necessary.

[3.30 pm]

Hon KEN TRAVERS: Who is doing that at the moment?

Mr Conran: Treasury. Ministers have responsibility for ensuring the decisions relating to their portfolio are implemented. They use their directors general to ensure that the factors are implemented. As is always, Treasury are always following up how the budget decisions are implemented. I think that is the traditional approach here. I think we should keep it.

Hon KEN TRAVERS: I do not disagree with that. I am just trying to work out what you do as the department that has responsibility; what role you do. What do you actually do?

Mr Conran: That role is to service —

Hon KEN TRAVERS: Just send papers out and bring them back in, is that all?

Mr Conran: Yes.

Hon KEN TRAVERS: Just purely a paper shuffling role?

Mr Conran: That is the secretariat role. A true cabinet secretariat role you would find in most other jurisdictions; that is, the cabinet secretariat runs the process of cabinet, makes sure all the papers are distributed and decisions written up properly. That is the secretariat role.

Hon NORMAN MOORE: A significant part of the role of the EERC is in fact to deal with cabinet issues. Its recommendations are part of the cabinet process. It is felt that it is better to be managed by the Department of the Premier and Cabinet because they do cabinet submissions as well on other issues. There is the capacity to coordinate the approach of cabinet —

Hon KEN TRAVERS: I understand all of that, but I am trying to work out exactly what is done. Does the department provide any advice on those submissions before they go to the EERC, or is it still Treasury that provide the advice on the submissions and the economic impacts et cetera?

Mr Conran: Treasury provide the principal advice. We obviously provide advice to the Premier in relation to matters that are going before any committee.

Hon KEN TRAVERS: What about the Economic Audit Committee—who has responsibility for managing and servicing that?

Mr Conran: The Economic Audit Committee is run through the Treasurer and the Treasury. I am a member of the Economic Audit Committee as is the Public Service Commissioner, the Under Treasurer and three outsiders—John Langalout, the former Under Treasurer; Catherine Nance, an audit partner, I think she is, from PricewaterhouseCoopers; and Peter Shergold, formerly head of the Prime Minister’s department at the commonwealth and currently a chair in the Institute for Social Inclusion, I think it is, at the University of New South Wales.

Hon KEN TRAVERS: Is that committee reporting to cabinet or does it report to someone else?

Hon NORMAN MOORE: If I may, this is about a Treasury issue. It is not about Premier and Cabinet.

Hon KEN TRAVERS: You will see where it is about this department in a minute, Mr Moore.

Hon NORMAN MOORE: I want to make sure the questions are relevant.

Hon KEN TRAVERS: They are very relevant.

Hon NORMAN MOORE: I am sure the Chair will ensure that.

The CHAIR: We will pursue it for a minute. If you could pull it back to Premier and Cabinet, it would be useful.

Hon KEN TRAVERS: The director general has just indicated to us that he is a member of that committee. I am asking, from his perspective as the director general, is it a committee that reports to the cabinet or is it a committee that reports to somebody else? As a member of that committee, what is your perception?

Mr Conran: The committee will provide a report to the Treasurer. If the Treasurer decides, he will take that to cabinet.

Hon KEN TRAVERS: What level of confidentiality applies to that committee?

Hon NORMAN MOORE: To the extent anything is confidential in government, it is as confidential as you can get.

Mr Conran: Bear with us that the Economic Audit Committee has met with dozens of people. We have met with myriad non-government organisations. We have not said to them, “You cannot reveal the source of any discussion you have had with us.” It is a committee that might report through to cabinet, but we meet with people and have discussions with them. We do not expect to have the discussions we have had revealed in the sense it is deliberative. There have been a number of public discussion papers put out as well which have invited issues. It is a process that is working relatively well.

Hon KEN TRAVERS: It is a committee of the Treasury. You are not the chair of it?

Mr Conran: No

Hon KEN TRAVERS: It is a committee that is run out of Treasury and you are just a member of it?

Mr Conran: I am a member of the committee. Interestingly enough, we do not actually have a chair.

Hon KEN TRAVERS: Who is responsible?

Mr Conran: We have not seen the need to have one. Ultimately, I suppose, the Under Treasurer is doing the reporting mechanism. We have got an excellent secretariat —

Hon KEN TRAVERS: An autonomous collective!

Mr Conran: We have got an excellent secretariat. It is a committee that works quite well.

Hon KEN TRAVERS: How often would you meet, in your capacity as the director general, with lobbyists?

Mr Conran: Regularly. I would not say every day, I would not say every week. I would say it might be every couple of weeks. I cannot be specific. I think I have recently provided some answers in response to a question from a member of the opposition in relation to—I think there were two specific issues. I think every minister got one from —

Hon NORMAN MOORE: I think you will find that half of *Hansard* is full of this information.

Mr Conran: My information will be on the public record there.

Hon KEN TRAVERS: In the lower house, I suspect you are probably talking about, are you; or were they questions from upper house members?

Mr Conran: It was from a lower house member.

Hon KEN TRAVERS: Maybe we need to put it onto the record in the upper house *Hansard* as well. How do you determine which lobbyists you will meet with?

Mr Conran: I generally meet with anyone who asks. We have taken a policy that if someone needs to meet with—we are trying to be extremely open in relation to dealing with issues. Specific requests from the Premier; that is, he wanted his chief of staff, the director general of the Premier's department to be available to meet with people. I cannot spend all of my day meeting with lobbyists, I can assure you. I have got enough to do. My diary is pretty full, but if someone seeks a meeting with me, I will meet with them. I do not care whether they are lobbyists or a range of businesspeople. I am not here to be available at every part of the day for anyone from the public, but if there is a proper purpose and I think it is in the interests of government to meet, I will meet. If not, I will see if I have got someone in the department who might be available to meet.

Hon KEN TRAVERS: Is there any one particular lobbyist that you meet with more regularly than —

Mr Conran: Yes.

Hon KEN TRAVERS: Who is that?

Mr Conran: That is Paul Everingham, but I have met with Paul probably eight or ten occasions in the year. I have met with some others.

Hon KEN TRAVERS: Eight or ten occasions?

Mr Conran: I cannot be specific. You will probably have a list there of the number of occasions I have met with Paul Everingham or GRA.

Hon KEN TRAVERS: Why would you meet with Mr Everingham more than any other lobbyist?

Hon LIZ BEHJAT: Because they have got more clients than anybody else, probably.

Hon NORMAN MOORE: Exactly right. Why do you not read today's paper; there is a story from the leader of government business in the other place telling us that he seems to have a lot of business.

Hon KEN TRAVERS: I am just asking the questions. If you two want to get defensive about it —

Mr Conran: I am not defensive.

Hon KEN TRAVERS: Not you. I was talking about my colleague and Mr Moore; not you, Mr Conran. I did not think you were being defensive yet.

Hon NORMAN MOORE: I thought it was very obvious. He is obviously a very successful businessperson who has a lot of clients who have an interest in the things that government does.

Hon KEN TRAVERS: Maybe Mr Conran could have given that answer instead of everyone interrupting, if that was the answer that he was going to give. I would like to hear Mr Conran's reasons for why he meets with Mr Everingham more than any other lobbyist.

Mr Conran: I will defer to Mr Moore.

Hon KEN TRAVERS: I am asking you why you meet with him. I am not sure that Mr Moore would know the answer to that, unless he is a mind reader.

[3.40 pm]

Mr Conran: GRA have asked us for meetings in relation to clients they are representing. If you have a look at the clients, they are all important clients in terms of trying to look at the economic development of the state.

There is Pacific Energy Ltd, which is into renewable energy. There are also groups like Aviva Corporation Ltd and the North West Iron Ore Alliance, which is concerned about various issues.

There is another organisation called SAP, which looks at issues in relation to alternative service delivery. These are actually issues that are important to the state. When we are dealing with a decent lobbyist who knows how to present information, we find that it can actually assist the process of government. A bad lobbyist does the client bad; good lobbyists serve their client, because they do not just present issues in the form of a wish list.

Hon KEN TRAVERS: So who are the good lobbyists and the bad lobbyists in Western Australia? The director general just made reference to good lobbyists and bad lobbyists; I am just trying to understand who are the good lobbyists he deals with and who are the bad lobbyists.

Hon NORMAN MOORE: I do not think public servants are here to give their opinions about who is good and who is bad in these matters, Mr Travers. They are here to answer questions about the budget of the Department of the Premier and Cabinet. That is a matter of opinion.

Hon KEN TRAVERS: I would have thought that given the amount of time that Mr Conran spends meeting with lobbyists, the question is relevant to the finances of the department. Do you also have social contact with Mr Everingham?

Mr Conran: I have met Paul socially on a few occasions. I have known the Everinghams since 1975. I knew Paul Everingham's father, Paul Everingham Sr, when I was in the Northern Territory. I did not know Paul Jr in the Northern Territory; I met him in Canberra. If the truth be known, my mother lived next door to Paul Everingham Sr's mother before I was born. Do I know the Everingham family? Yes, I know the Everingham family. That is known, and I am not embarrassed that I regard Paul Everingham as a friend. I regard Peter Clough as a friend, and Peter Clough is a lobbyist from the Labor Party. Peter Clough is a good friend; I have known him for a long time. I have lobbyists from all sides. I am sure that Paul Everingham has brought clients to meet members of the Labor Party as well. I am not embarrassed by the friendship I have with Paul Everingham, and I am not embarrassed by the friendship that I have with people like Peter Clough as well.

Hon KEN TRAVERS: I am not asking you to be embarrassed. The minister earlier made the comment that the Department of the Premier and Cabinet is not there to run every individual agency, so I am trying to work out how you determine when and on what issues you will meet with lobbyists.

Mr Conran: The Premier has a few priorities, including the development of the Pilbara, the Oakajee Port and Rail project, climate change and renewable energy. I see lobbyists in relation to matters that focus on those sorts of issues. The contacts that I have had with Mr Everingham and his clients generally relate to those sorts of issues.

Hon KEN TRAVERS: Generally. Could you give any examples of times you have met him outside those sorts of issues?

Mr Conran: I am sure that the member has the list in front of him, and I think it is a pretty reasonable list.

Hon LJILJANNA RAVLICH: Has the Premier asked you at any time to meet with Mr Everingham on his behalf?

Mr Conran: Not that I can recall.

Hon LJILJANNA RAVLICH: Has the Premier instructed you to assist Mr Everingham to make contact with other ministers?

Mr Conran: No.

Hon PHILIP GARDINER: I am not quite sure whether this rests with you or with others, but I am interested in the time frame over which policy produces results in physical infrastructure. It is very easy to announce something, and everyone thinks it will be of benefit at some stage, and so on. Climate change and social infrastructure are both different, because the incremental parts are much smaller, especially on the social infrastructure side. I think in some cases, we are looking at

generational solutions in this area, especially in the Indigenous area. Is it your role to set a time frame for how long policy needs to take to work, or is that someone else's role?

Mr Conran: I might defer to David on that particular issue. Before I do, I will point out—some members may be already aware—that David is Acting Deputy Director General of the Department of the Premier and Cabinet; he is my only deputy director general. I have recently advertised two deputy director general positions—one that David occupies and a new position, so I will have two strings. There will be a deputy director general coordination, which deals with the coordination of activities on a day-to-day basis, and I am also setting up a more strategic policy group to look at longer term issues. In part, that will be designed to look longer term and see how we can look at social infrastructure issues, measure them and get an active reform process going. Again, that is not an unusual process. In fact, it mirrors the process developed in Victoria and now used by the APS. It is no coincidence that Terry Moore, the secretary of the Prime Minister's department, was previously director general in Victoria. He set up a strategic unit as well as a general coordination unit, and he has developed that model at a federal level. I think it is a reasonable model. I differ slightly in terms of approach to strategic issues. I very much support an approach that brings together little task groups that might deal with particular issues. For example, in relation to climate change, I would bring together a group of people with particular expertise in the departments to develop policy in relation to those issues, because I do not think those issues can actually be run from the Premier's department. We actually need to go out and get expertise from the departments, thus avoiding antagonism from departments that might think we are interfering on their patch.

Mr Smith: I guess I have two comments to make to build on those comments and in relation to the two things that the member mentioned—climate change and social infrastructure, for want of a better description, perhaps. Those are both areas that are issues of importance to current governments, here and elsewhere. They are difficult things to deal with in two respects. Firstly, they do in a sense have a long lead time; we do not know whether the policy settings that we are applying now will have the effect we might want them to have or expect them to have until some time in the future.

[3.50 pm]

That does make a challenge for governments and for bureaucrats in implementing those things, or being able to advise governments on whether policy settings are having the effects they expect. There is really no easy way around that other than to try to ensure—your questioning earlier about benchmarks for the Indigenous area, for example—we have the information available for governments to be able to say, "Okay, this is where we're at now in relation to a whole range of indicators; this is where we expect to be as a result of these policy changes in a year's time, five years' time, 10 years' time." The other aspect of those areas that I think is a challenge for governments and for public sectors, is that they do involve a high level of interaction between different departments and different agencies. I would be happy to debate whether that is a new development or not. To a certain degree it has always been there perhaps. Certainly, from where I sit, and have for the past 12 months in that sort of coordinating role, there is a strong need and a desire by agencies to have some area that is kind of making sure the coordination is occurring—those agencies that need to talk to each other about things they are implementing on the ground—for example, early childhood, Indigenous and so on. There are a variety of mechanisms for helping that interaction and coordination to occur. That is the other thing that probably, as a Premier's department, we have in real value-adding to provide to the sector.

Hon LJILJANNA RAVLICH: Are these two new positions in addition to the position of director general cabinet and policy division or do they replace that position?

Mr Conran: One is that position, and there is one other, so there are only two positions. We are going from one to two.

Hon LJILJANNA RAVLICH: Is it not true that you lost two of your services from last year to this year? In other words, the office used to provide a service that was to support the Premier as Minister for Public Sector Management, and that has been transferred to the commission. Another service was e-government policy and coordination. So you have lost two key functions. At the same time, the budget has increased from this year compared to last year because last year it was \$124.862 million for net cost of services. This year it is \$129.199 million. You have lost two key functions, yet you have an increase in the budget.

Hon NORMAN MOORE: Which page are you talking about?

Hon LJILJANNA RAVLICH: Page 85. I am cross-referencing it with page 84 in last year's budget papers.

Mr Conran: It has gone down. As I read it, the estimated actual for 2008-09 was \$137.901 million, and the budget estimate for this year is \$129.199 million. The forward estimates going out are \$116.504 million. I think Ken or Greg might be able to explain the various ups and downs on that. As I read that, unless I am misinterpreting your —

Hon LJILJANNA RAVLICH: I am looking at the service and appropriation summaries.

Mr Conran: That is right; that is on page 85.

Hon LJILJANNA RAVLICH: Yes. It shows total cost of services at \$129.199 million compared to total cost of services the year before at \$124.862 million.

Mr Conran: My figure is \$137.901 million.

Hon LJILJANNA RAVLICH: I am going from last year's budget figures.

The CHAIR: Would you mind providing that to Mr Conran?

Hon LJILJANNA RAVLICH: The point I would like to make is that, while this is going on, you are appointing —

Mr Conran: This is from last year's budget papers.

Hon LJILJANNA RAVLICH: That is right.

Mr Conran: You must work from the actuals, not the budget papers. That is quite misleading in that sense. The out-turned amount in relation to the 2008-09 area was \$137.901 million. The budget estimate may have been \$124 million.

Mr Moore: Bearing in mind we are working from the 2009-10 *Budget Statements*, which are the work of the Department of Treasury and Finance, what DTF had us do, in the knowledge that the commission was created in late 2008, was to strip out—you mentioned a couple of the service areas that came out of the department in forming the commission—those dollar costs for public sector management division and e-government, and some other areas embedded within the department, and slide them over to the commission, had they existed prior to them being formed. In that sense, we are comparing apples with apples. I am not sure that we have answered your question. The issue is that we are comparing DPC without those bits that fell into the Public Sector Commission, so we are comparing apples with apples over the two periods.

Hon LJILJANNA RAVLICH: In real terms, DPC in fact had an increase in the budget rather than a decrease.

Mr Moore: No, it has had a cut. The budget estimate for 2009-10, total cost of services, on page 85, is \$129.199 million, compared with the actual estimated out-turn for 2008-09 of \$137.901 million. In that sense there has been a decrease.

Hon LJILJANNA RAVLICH: Okay, but if we take, for example, service 4, it cost \$11.12 million to support the Premier as Minister for Public Sector Management. But the total appropriation for the

Public Sector Commission is \$21 million, which is twice as much. So, really, you have created a new department at twice the cost.

Hon NORMAN MOORE: Page number please?

Hon LJILJANNA RAVLICH: Page 97, compared to last year's budget on page 84.

Hon NORMAN MOORE: You cannot use just last year's budget figures because they have been amended to take into account changed circumstances, which is what Treasury has been doing for a very long time.

Hon LJILJANNA RAVLICH: All right; never mind the budget figures. In a sense, has it cost more to create the Public Sector Commission? Has it cost nearly twice as much than if the service was being operated under the former Department of the Premier and Cabinet?

Mr Conran: I do not have a specific answer to that. I am happy to take that on notice. I do not believe that is correct. I think there is some information on the record in relation to the estimates hearings in the Assembly that deals with that. I think there are a number of parliamentary questions that would relate to it. I would prefer to take that on notice, but indicate I do not believe the cost of operation of the public service commission is much greater than was the cost of the operation of that element of the department prior to the split. There were obviously some additional costs because we were creating a new position of public service commissioner—that is, a new deputy director general position. That information is on the record. In addition to that, you bring in the OPSSC and that will obviously have an increase in terms of cost for the Public Sector Commission.

Hon LJILJANNA RAVLICH: Can you provide us with a breakdown of those costs?

Mr Jones: By way of clarification, substantial supplementary funding was provided to meet the cost of end-of-contract payments for ministerial officers who left following the change in government. That was in the order of \$8 million. As Mr Moore explained about what took place in accordance with Treasury's requirements, the past year's figures were adjusted as though the Public Sector Commission had existed in the past. We were asked to adjust the figures in this process. The figures you see in the 2009-10 *Budget Statements* exclude PSC from any of the past figures, to make them fully comparable.

But, if you take into account the fact that the expenditure has gone up for 2008-09, the estimated actual included approximately \$8 million by way of supplementary funding for ministerial officers' and electorate officers' end-of-contract payments.

[4.00 pm]

The CHAIR: Mr Conran, would you still want to provide supplementary information to clarify that?

Mr Conran: Yes.

Hon NORMAN MOORE: Can I just clarify what the question is, and what information is sought? If it is information in respect of the Public Sector Commissioner's budget then it really ought to be directed to him. However, if it is, as I understand the original question, how much was taken out of the Department of the Premier and Cabinet's budget to put into that agency and whether it resulted in any increase in total expenditure, that is fair enough.

The CHAIR: I understood that to be the question.

Hon KEN TRAVERS: Can I just add to that, while you are doing that on that area? I would like to see a reconciliation between last year's budget papers and this year's budget papers, and what the variations are. It does not seem to be just under the title of support for the Premier as minister for the public sector; there seem to be the variations in a whole range of figures through there. In fact, I would not mind it being a tracking from 2007-08 to what was spent in 2008-09, and how that has been adjusted for the purposes of the budget papers in 2009-10.

Hon NORMAN MOORE: How far do you want to go back with this?

Hon KEN TRAVERS: A full year before you became a minister, Mr Moore.

Hon NORMAN MOORE: When I sat where you do now, I also struggled with that on many occasions—trying to work out how you compare apples with apples. I now actually understand the reasons why they do it.

Hon KEN TRAVERS: I understand why they do it; I just want to have an explanation of how they have arrived at the figures.

Hon NORMAN MOORE: The way they have always done it.

Hon KEN TRAVERS: Well, let us have an explanation, and then we will all be better informed for the future.

The CHAIR: Mr Conran, can you provide that by way of supplementary information?

Mr Conran: I can take that on notice.

[Supplementary Information Nos A5 and A6.]

Hon KEN TRAVERS: To finish off the area of lobbyists, before I go on to a new area, have you ever refused to meet with any lobbyists?

Mr Conran: I cannot recall. I cannot specifically recall, although recently I think I had a request for a meeting from Mr Everingham, and I said that I did not have enough time. I would have just said that to my secretary: “I haven’t got enough time.”

Hon KEN TRAVERS: I guess that was my next question. How do people normally go about arranging a meeting with you? Is it through your secretary, or is it directly with you, or a combination of both?

Mr Conran: They ring my secretary, they send me emails, or generally contact the office.

Hon NORMAN MOORE: Can I just have some clarification here, Madam Chair? These questions, titillating though they might be, do not really relate to the budget of the Department of the Premier and Cabinet, which I thought was the term of reference of this particular committee that saw us coming here today. If the questions are to be about Mr Conran’s opinions, lobbyists, who he met and how they contacted him, I do not quite see the relevance of those questions to the reasons why we are here, unless I do not understand the terms of reference of this committee. I seek your clarification.

The CHAIR: Our terms of reference are slightly broader in the second part, which allows us to investigate any financial operations relating to matters of state. However, I take your point; I think we are probably straying a little from that, potentially.

Hon NORMAN MOORE: All these officers here are happy to tell you everything that they can about the budget, and everyone wants to know what Mr Conran had for breakfast.

Hon KEN TRAVERS: If it was paid for by the department, we might ask that question a bit later on.

Hon NORMAN MOORE: You would know about that, would you not?

Hon KEN TRAVERS: Are all of your appointments arranged through your secretary, and none directly with you? That is my last question on this area.

Hon NORMAN MOORE: This is just ridiculous. What Mr Conran does in his private life is his business.

Hon KEN TRAVERS: I am not asking about his private life.

Hon NORMAN MOORE: Perhaps he meets with people in his private life.

Hon LJILJANNA RAVLICH: I am sure you do too.

Hon KEN TRAVERS: If he is making appointments during his private time then I think it is in my area of interest.

The CHAIR: I think Mr Conran has actually answered. You asked a similar question just a minute ago.

Hon KEN TRAVERS: I am not sure I got a clear answer, because people kept interrupting, and that is why I asked it again.

The CHAIR: I think we have come to the end of that.

Hon KEN TRAVERS: So I cannot get an answer; fine.

Is the department involved in developing any advice or policy on alternative service provision across the government?

Mr Conran: Yes.

Hon KEN TRAVERS: In what areas?

Mr Conran: All.

Hon KEN TRAVERS: Can you explain in a bit more detail what you mean by that?

Mr Conran: The Disability Services Commission is a department that provides services to disabled people. It does a pretty good job of that. It funds disabled people so that they can make choices about what services they receive from government. The department works through local area coordinators to determine how they should access those services. It has been a very successful program supported by the previous government, the government before that and probably the government before that. We think there are some excellent opportunities to engage with the not-for-profit sector—the third sector, or whatever we want to call it these days—in the delivery of services. We have had discussions with WACOSS and other organisations, such as Parkerville, whether through EAC or directly, just to say, “Well, look, how else do you think we can engage with the non-government sector on service delivery?” Indeed, every government in Australia is doing exactly the same, and we think that is a very sensible approach. At the direction of the Premier, we are pursuing that issue.

Hon KEN TRAVERS: Are you able to provide us with the budget for the government garage for this year, last year and 2007-08.

Mr Conran: I will just look to my colleagues. We will take that question on notice.

Hon KEN TRAVERS: If you are taking the question on notice, could you also provide us with details of the number of drivers employed through the government garage, the budget for overtime, the number of vehicles you had in each of those financial years, and a breakdown for four-cylinder, six-cylinder and V8 cars?

Mr Kennedy: Just by way of clarification, the garage itself has some cars that it uses for getting around to jobs, if you like. It has a very small number of cars. If you are talking about ministerial vehicles, they are not considered to be part of the garage. They are allocated to officeholders and are budgeted elsewhere, along with committee chairs and other officeholders, the President and the Speaker.

Hon KEN TRAVERS: Can you then give me the figures for the vehicles that are allocated to ministers or parliamentary secretaries?

Mr Kennedy: Any officeholders?

Hon KEN TRAVERS: All right.

Hon NORMAN MOORE: We might do some comparative figures. We might also do the number of staff in ministerial offices and do a comparative exercise on that as well.

Hon LJILJANNA RAVLICH: That is what we intend to do.

Hon NORMAN MOORE: I am happy to provide it.

Hon KEN TRAVERS: You can include the secondees in ministerial offices, and whether they have vehicles at the same time.

Hon NORMAN MOORE: We are happy to do that.

[4.10 pm]

The CHAIR: I think that will be very extensive supplementary information but as long as everybody knows what is being done there, that is okay.

[*Supplementary Information No A7.*]

Hon KEN TRAVERS: Is the department aiming to reduce its fleet by 10 per cent?

Mr Conran: Yes, we are subject to the same requirements as other departments.

Hon KEN TRAVERS: Have you identified —

Mr Conran: I might point out that it is quite a difficult issue. The Department of the Premier and Cabinet has responsibility in respect of the vehicles of members of Parliament. I am not sure that members of Parliament want a 10 per cent reduction in their car fleet, so we will be doing a disproportionate share and that will come out of ministerial offices and in the department. It is not a really great outcome for us but —

Hon KEN TRAVERS: I think you will find every agency has an area where they say that this is an area that we cannot cut and we have to find the cuts within the other areas; you are no orphan in that regard.

Mr Conran: Similarly, in relation to FTE numbers, we have excluded the FTE numbers within the Leader of the Opposition's office so that will then have another impact in relation to the other side of the agency as well.

Hon NORMAN MOORE: I did not know that; I thought it was very generous—extraordinarily generous!

Hon KEN TRAVERS: How droll.

Hon NORMAN MOORE: Do you want to go back in history about how much money the opposition got in that respect? Do not mount an argument there, Mr Travers.

Hon KEN TRAVERS: Do you cover the cost for the aircraft for the ministers?

Mr Conran: Yes. I am just looking to Robert Kennedy.

Hon KEN TRAVERS: Are you able to give us the budget for 2007-08, 2008-09 and 2009-10 for the cost of providing those services?

Mr Kennedy: Yes.

The CHAIR: I assume that will be taken on notice.

[*Supplementary Information No A8.*]

Hon LIZ BEHJAT: This might be another question for Mr Kennedy, but Mr Conran can make that call. I refer to the efficiency indicators on page 88. As a relatively new member of Parliament, I have obviously had a lot of dealings with entitlements for members of Parliament and office accommodation and things like that. I do not know whether you can give us this because it may be asking you for an opinion and it may be unfair, but I will go there anyway: do you think it is being run at the moment in the most efficient way? A number of members of Parliament have come to

me—and I have also experienced some issues myself—saying that it seems to be handled in a very cumbersome way when it comes to new office accommodation, office equipment, entitlements that we have inside Parliament House and inside our electorate office. It is a question that you ring someone who says, “No, it is not DPC; you have to go the house.” It seems to me that it is cumbersome; there are some inefficiencies happening. Could we not perhaps be saving some money in this area by having it run a little more efficiently in some areas? Is that unfair?

Hon NORMAN MOORE: Can I answer that?

Hon KEN TRAVERS: Because it is a policy question, I thought you might want to, Mr Moore.

Hon NORMAN MOORE: I have been on both sides of the equation and I know what you are talking about. I would have thought that something could be done about that.

Mr Conran: Yes, I think there is a deal of confusion, I suspect, on behalf of members—I know I get confused. This is a process that I have been left with; it is not a process that I have designed. I do not think anyone is responsible for the design because we have given ourselves a camel. I think there is an opportunity to get a more sensible arrangement, which would mean from the Department of the Premier and Cabinet’s perspective that more of the responsibility moves to the Parliament, whether it be the Department of Parliamentary Services or the control of the Parliament itself. Indeed, the Premier has flagged some of those issues. That said, and this is a very particular issue in relation to the Premier, he will want to ensure that the accountability requirements that flow from a transfer to the Parliament are such that there is at least the same amount of accountability, recognising that members of Parliament are not subject to FOI and a whole range of other things, whereas we are, and things like that. In short, you would need to ensure that there is sufficient transparency and sufficient accountability in the operation of that system. I am very confident that that could be done. I should also tell you that discussions we have had informally with the Parliament is that they would say, “We’d like more resources; not the resources you’ve got to handle these issues. We need an extra number of people.” Although it might be a more efficient service, I am not sure that it is necessarily going to have cost efficiency. I think there is room for change and a need for change but it has to be handled very carefully because the last thing anyone needs is a situation where there is seen to be less accountability.

Issues in relation to accommodation are issues that are of concern to us regularly. We recognise there are problems. We are not perfect in the service we provide and members from both sides have complained from time to time that they think their office accommodation is not up to scratch and we do what we can to assist them.

Hon LIZ BEHJAT: That is if they have an office.

The CHAIR: I might jump in there because I have a question about the—you have inspired me—fitting out of offices for members. We are four months after the changeover from the previous composition of the Council to the current. How many members are still accommodated in temporary offices as opposed to their final destination? You can take it on notice.

Mr Kennedy: I think we have two who are outside their electorate in temporary accommodation; the rest I think are inside their electorate but in their non-preferred permanent location.

The CHAIR: I would be interested in how many are still in their non-preferred accommodation —

Mr Kennedy: Yes.

The CHAIR: — and an estimate of when they are —

Mr Conran: Preferred accommodation can sometimes be quite expensive; sometimes non-preferred might be the better option but we try to —

The CHAIR: Usually, there is some negotiation.

Mr Conran: We try.

The CHAIR: Once it is decided that that is the office that is agreed on, it is the time from then to actually getting in that seems to me to be—certainly from members who have spoken to me—a long time.

Mr Conran: I could not disagree with you.

[*Supplementary Information No A9.*]

Hon KEN TRAVERS: Have we given up the lease on any offices that were in place at the time of the last election?

Mr Kennedy: Yes; Hon Ljiljanna Ravlich's office was finished recently and she has moved into new accommodation.

Mr Conran: Is it satisfactory?

Hon LJILJANNA RAVLICH: No, not really. I can give you a whole list of things that need attending to but I will not at the moment.

The CHAIR: Right now is not a good time.

On a totally unrelated matter, does the DPC have a role with regards to coordinating or the attempts to clean up the oil spill at West Atlas? Is it playing a role?

Mr Conran: Yes, we do through our department of security. I will defer to Tania Lawrence because Tania is the person who has that responsibility.

[4.20 pm]

Ms Lawrence: Essentially, our office is assuming somewhat of a coordination role, but only in a limited capacity because the response to the wells is actually a commonwealth responsibility.

The CHAIR: At the moment!

Ms Lawrence: For the moment we are receiving regular situation reports and we are keeping the Premier apprised of the latest information. We are also in close communication with relevant state government agencies to make sure that they are aware of the situation as it is changing. At this point, there is no responsibility for our department beyond one of coordination and monitoring.

The CHAIR: DPC is the logical department to deal with something like this, which could affect a whole range of departments from the Department of Environment and Conservation, the Department of Transport to the Department of Fisheries. Are there other cases in which DPC has taken on that kind of role?

Ms Lawrence: It depends on the nature of the incident, hazard or emergency. The state Emergency Management Act prescribes a number of different hazards in its regulations and determines who would be the lead agency for that. In terms of our department, if there is a terrorism incident, our office would have a particular role because of the nature of the structures that are established at a national level. Notwithstanding that, WA Police would still be the lead agency responsible in any event, but we definitely have a greater responsibility.

Mr Conran: I might clarify that. I am not sure whether the committee is aware that Tania is located at West Leederville, where we have our state emergency coordination centre. It is quite a sophisticated centre and is a separate operation from the rest of the department, but dealing with issues specifically of state security and the coordination of responses to a variety of incidents. Clearly, we go out to various agencies to pull in information. We have co-located WA Police officials there.

Ms Lawrence: That is right.

Mr Conran: Do we have commonwealth personnel there?

Ms Lawrence: We have employees from FESA's emergency management WA section, and also officers from the Department for Child Protection, who invariably provide support and assistance after a major incident, be it receiving people at the airport who have come back from an incident overseas and so forth. And should it be required, we also call in officers from other state agencies such as Health, Water Corporation, or whichever agency is relevant to the hazard, and also commonwealth agencies. We have very close networks, and state and commonwealth officers would also come into the centre and work from there in order to ensure that communications are fine.

Mr Conran: For example, today we were dealing with national pandemic issues. It ranges across that whole spectrum of emergency management issues.

Hon PHILIP GARDINER: If there is a preparedness policy to be developed for the state for the kind of event that we are experiencing now, would that be formed in Premier and Cabinet?

Mr Conran: They have a preparedness protocol on these current issues now. That is largely through the Department of Transport. I will defer to Tania, because she works day to day in this area.

Ms Lawrence: We have Westplans for all the various types of emergencies and incidents. For the oil spill we have a Westplan and the Department of Transport would take the lead. They are integrated into all our emergency management arrangements. Basically, an agency is identified as the lead hazard management agency. If the emergency escalates, and it is warranted, then the state Emergency Management Committee is established as the state crisis committee and that introduces a greater level of coordination arrangements to respond to the incident.

Hon PHILIP GARDINER: I was thinking of the timeline for policy, because we are going to have an issue with spills for the next 50 or 60 years—I do not know for how long—while they are extracting gas and so on. There is no doubt that one day it will be closer to our shores. I wonder if there is a review of the preparedness policy and whether that is under the Department of the Premier and Cabinet rather than what we have now?

Ms Lawrence: No. In accordance with the Emergency Management Act, it is the responsibility of the state Emergency Management Committee and that is set out under the act.

Hon PHILIP GARDINER: I doubt that will be big enough. I would imagine the oil and gas companies and everyone else would need to get together to have a preparedness policy.

Ms Lawrence: We already have that.

Mr Conran: That is precisely what they do. There is a rolling process to keep these things up to date.

Ms Lawrence: These plans already exist.

The CHAIR: If they tell us! Some companies are not that forthcoming, are they, minister?

Hon NORMAN MOORE: That is not my experience.

The CHAIR: I was thinking of Varanus.

Hon PHILIP GARDINER: This is a micro area now and goes back to Hon Liz Behjat's question. Are there efficiencies in moving the electronic data processing hardware part of parliamentary services across to the Department of the Premier and Cabinet, where the software is—which is doing a good job as far as I can tell?

Mr Conran: We would like to do the reverse.

Hon PHILIP GARDINER: All the software is in your area down in the city.

Mr Kennedy: The hardware is.

Hon PHILIP GARDINER: We get the laptops from one area and then the software comes from another area. It is a similar kind of thing and I am concerned with this micro area.

Mr Kennedy: We have not done any analysis of whether it would be more efficient either in Parliament or with us.

Hon LJILJANNA RAVLICH: I refer to the Premier's staffing cap of 150 across all ministerial offices. Are all ministerial offices adhering to that cap? In other words, does each office have 8.8 people?

Mr Conran: Some have more. There are variations. I think that the figures I saw at the end of June were 152; and they will be up to 156 and then down to 152 again. FTEs are not a very precise science, as the member will probably be aware. We have that other issue in that we do not count staff of the Leader of the Opposition within the efficiency dividend requirements. In effect, we add in another 12 FTE, I suppose, for the Leader of the Opposition and there will be a higher cap again. The budget would reflect the staff of the Leader of the Opposition as well.

Hon NORMAN MOORE: It is fair to say that the figure has been around 150, which includes seconded individuals, whereas the figure of the previous government was round about 200, including seconded persons. There has been quite a dramatic reduction in the number of staff working in ministerial offices.

Hon LJILJANNA RAVLICH: That is not what the Premier put on record in a debate in the Legislative Assembly on 28 May 2009. He was asked a question about the 158 FTEs in ministerial offices and whether the 36 additional FTEs were included in that 158 or they were extras and were funded by other agencies. He said, "Yes, an additional 36 staff are funded by other agencies". How can the government have a cap of 8.8 FTEs in ministerial offices when, in fact, the government is subsidising that, if you like, with 36 additional FTE that otherwise would be performing functions in their own agencies?

Mr Conran: My information suggests that we have approximately 37 FTE paid by other agencies. The former government had 27 paid by other agencies with total FTEs of 192. So that is 27 plus 192, whereas the current government has 156 plus 37. I think there is still quite a disparity there.

[4.30 pm]

Hon LJILJANNA RAVLICH: I have to say, with all due respect, that I cannot remember the former Premier actually issuing a cap formula, unlike the current Premier who has issued a cap formula. Having 36 staff that otherwise would be engaged in possibly frontline services to be added to the FTEs in ministerial offices means that there is no integrity in terms of the cap because it is not really a cap as such. I put on record my concern about the cap because there are clearly a number of ministers who do not adhere to the 8.8. One of them is the Attorney General. In respect to his office, for example, it is becoming quite apparent that they cannot fulfil the requirements of legislation such as the FOI act because they simply argue that the workload is excessive in terms of the resources that they have available in their offices and therefore they cannot proceed to process applications. It must be very concerning for you, director general, to know that the operations of government are impeded by the so-called cap.

Hon NORMAN MOORE: I do not think it is fair to ask the director general to give an opinion, other than for me to say that the quantum of FOI applications is vastly in excess of what has traditionally been the situation in Western Australia. It is not only a question of a lack of staff or resources, but it is a question of a vastly increased number of FOIs that have been received by government since it changed in 2008. Mr Conran has given me a couple of figures here. The number of FOI applications received by ministers in 2007-08—that is the last year of the previous government—was 94, and the number of FOI applications received by ministers since the election up to 30 June 2009 is 245. That is not even for a whole year. Without arguing the merits or otherwise of asking questions through FOI, I am simply saying to you that the quantum of questions

has been vastly in excess of what has been historically the case. That has put enormous pressure on ministerial offices. I know, having gone through it myself in my own office, that some of the questions, without reflecting on the people asking them, are ludicrous.

Hon KEN TRAVERS: But you definitely do not want to reflect on the people asking them.

The CHAIR: We have scheduled to finish now. If members have further questions, they should hand them up shortly. There might be a few additional questions which we will provide within the next 24 hours—virtually immediately.

Hon NORMAN MOORE: Can I ask a question for clarification with respect to that matter. I understand that after your hearings with agencies members put in supplementary questions, and I gather in very large volumes, at the conclusion of the hearings. Is there some way that that can be tailored to meet the requirements of the committee but at the same time not create a huge burden for ministerial offices and government agencies to provide answers to questions, many of which are on the public record anyway?

The CHAIR: We are dealing with that. It is at the Chair's discretion as to what is considered to be a reasonable number. I take your comments on board.

Hon NORMAN MOORE: Can you give me a reasonable idea of what is a reasonable number?

The CHAIR: A dozen.

Hon NORMAN MOORE: That is fine. That was not my understanding of the number of questions being sent.

The CHAIR: Thank you very much for your attendance. I appreciate your assistance.

Hearing concluded at 4.33 pm