

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

ONGOING BUDGET ESTIMATES HEARINGS 2010–11

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
MONDAY, 13 SEPTEMBER 2010**

**PARLIAMENTARY SERVICES DEPARTMENT
AND LEGISLATIVE COUNCIL**

Members

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

Hearing commenced at 2.42 pm

HOUSE, HON BARRY

President of the Legislative Council, sworn and examined:

LAKE, MR NIGEL

Deputy Clerk, Legislative Council, sworn and examined:

BREMNER, MR RUSSELL

Executive Manager, Parliamentary Services, sworn and examined:

TIMMERMAN, MRS DAWN

Chief Finance Officer, Parliamentary Services Department and Legislative Council, sworn and examined:

HUNTER, MR ROBERT

Deputy Executive Manager and Human Resources Manager, Parliamentary Services Department, sworn and examined:

The CHAIR: On behalf of the committee, I would like to welcome you to this afternoon's meeting. Before we begin, I am required to ask you to take either an oath or an affirmation, if you want to avail yourselves of the copy of the Bible that is in front of you. The question to all witnesses is: do you solemnly swear or affirm that the testimony that you give is the truth and nothing but the truth under penalty of false evidence and contempt of Parliament?

The PRESIDENT: I do.

The CHAIR: That is a fine lead, Mr President.

[Witnesses took the oath or affirmation.]

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

The Witnesses: Yes.

The CHAIR: Proceedings this afternoon are being recorded by Hansard and a transcript of your evidence will be provided to you. To assist the committee and Hansard, could you please quote the full title of any document that you might refer to during the course of the hearing, and be aware of the microphones and try and talk into them. 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 Please note that the uncorrected transcript should not be published or disclosed. This prohibition does not, however, prevent you from discussing your public evidence generally once you leave the hearing. 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 thanks you for your assistance this afternoon.

Members, if you could assist by providing, in preface to your questions, a reference to either the *Budget Statements* page, item number and program et cetera, that would be very useful. Do members have questions they would like to start with?

Hon LJILJANNA RAVLICH: I refer to page 45 of the budget papers on the Legislative Council, and specifically that line item in relation to efficiency indicators in the chart. There is a notation of “1” next to it, and when we have a look at the explanation—sorry, Mr President; have you got that?

The PRESIDENT: Page 45?

Hon LJILJANNA RAVLICH: It is page 45. It is “2: Support the Committees of the Legislative Council”. You will see in that chart “Total Cost of Service” and then “Employees (Full Time Equivalents)” and then “Efficiency Indicators” as the third item. Yes?

The PRESIDENT: Yes.

Hon LJILJANNA RAVLICH: We go across and we see in 2009–10 an estimated actual of \$338 500 and then we see a reduction to \$271 500. There is a note there at “1” and the explanation below is —

Budget constraints have reduced the estimated funding available for delivery of support for the Committees of the Legislative Council by \$198,000 for 2010–11. At the same time, the Legislative Council has included provision for one additional Committee to support in 2010–11 from this reduced overall funding.

Therefore, we have seen a net reduction in the amount of resources available. The first question I want to put to you is: it seems as though the Council, in terms of its committee structure, is really being asked to do more with less and the issue for me is about the sustainability and the Council being able to get on with the role that it has got and being able to more than adequately perform the functions that are assigned to it. I wonder whether you could make some comments to the committee in respect of how you see the sustainability of the committee system in the future, especially in the event if we continue to have a downward trend in funding.

The PRESIDENT: Yes, I would be happy to make a few general comments. There has been a trend over the last 10 years for the Legislative Council’s budget to suffer by comparison with other places and with our needs. That has, in general terms, taken a slide over that decade to the point where the Legislative Council has used up all its reserves and now we are operating sort of on the edge in terms of sustainability. This financial year, unless something else happens, as you are already probably experiencing, there will be some effects, unfortunately. We have got two main functions: one is the chamber functions; one is the committee functions, and the staffing of both. Investigative travel at this stage has been singled out as the area for discretionary funding, I suppose, that we look at not being able to provide enough support for. And I am not happy about that—not a bit. We made presentations to Treasury and to the EERC—the Economic and Expenditure Reform Committee of cabinet. We did not get any approval for our submission at that stage. We have got ongoing negotiations now with Treasury, and we are hopeful that we can get that trend addressed so that, even if we cannot make up the shortfall, we will get the formula corrected so that, moving forward, we will be able to operate on a level that is sustainable, to use your words. But in terms of precise figures, Nigel or Dawn might be able to give you more detail.

[2.50 pm]

Hon LJILJANNA RAVLICH: That would be good. I wonder whether somebody could provide the committee with information with respect to how the Legislative Council compares with the Legislative Assembly in terms of, for example, the budgetary allocation for investigative travel, because we have not had any at all!

Hon PHILIP GARDINER: We did, on the inquiry into year 11 at district high schools.

Hon LJILJANNA RAVLICH: We did, but we took our own cars.

Hon PHILIP GARDINER: That is right.

Hon KEN TRAVERS: Order, members! The committee office bought us lunch!

The PRESIDENT: We cannot make any comment about the Assembly's budget. That is their prerogative. But I would be happy to make a general comment. Our resources for investigative travel are nowhere near what they should be. We are a poor relation when compared with other parts of the world. In terms of investigative travel, it is not just committee travel for inquiries and conferences that I would like to see resourced better. It is the Legislative Councillors' role in terms of representation of one-half of the Parliament of Western Australia as well. I know other people do it, and, since I have been President, I have been trying to institute a start to that, I suppose. Just recently I led a parliamentary delegation from the Legislative Council to China, along with the Deputy President and the Clerk. We were funded out of our budget at that stage. Two other members were invited to come along who had a particular interest, Hon Ken Baston and Hon Helen Bullock. They used their imprest account to join us on that trip. So I would like to see some more avenue for that across the whole Legislative Council membership as well.

Hon LJILJANNA RAVLICH: Just by way of conclusion to my line of questioning, what about the argument that with the access to the internet there is no need for investigative travel, because everything you want to find out you can find out through the internet? Could you have achieved what you achieved in China just by having access to the internet?

The PRESIDENT: No.

Hon LJILJANNA RAVLICH: Why not?

The PRESIDENT: Well, there are certain things you just have to physically see and do. For instance, you cannot get a proper appreciation of the taste of jellyfish through the internet! That is being a bit flippant. You cannot properly see the port infrastructure at the end of a very important trading relationship with Western Australia. You cannot see the faces of the kids in the couple of schools that we went to who are being taught in English using a Western Australian education curriculum. You can learn a lot about that through the internet, but you cannot experience it and fully understand it unless you physically are there.

Hon LIZ BEHJAT: Following on from that point that Hon Ljiljanna Ravlich was making, I understand that you are unable to comment about things in the Legislative Assembly. But this committee needs to be able to look at things in a comparative way. I notice that at page 9 of your annual report you talk about the provision of equitable services for members of the Legislative Council and that you are going to be fighting to get that. In the Legislative Council annual report again, in appendix 6, starting at page 65 and onwards, there are some very good statistics in relation to the sittings of the house, the committee work that is undertaken, and the travel. That is very well reported in your annual report. But there do not appear to be similar statistics in the LA annual report. I am just wondering how we can go about getting that information so that we can look at it comparatively to do our work.

The PRESIDENT: As a Legislative Council committee, I am not sure. You could write to ministers, but you know what the situation is there. Really, Legislative Assembly committees are responsible to the Legislative Assembly, not to our house. As I have said, the comparison over the years has been a slowly declining comparison. I remember seeing a figure from 1998, when the Legislative Council budget for committee resourcing, including investigative travel, was something like \$290 000. This year, in our forecast budget, it is \$30 000, which is totally inadequate. Our job is to concentrate on the Legislative Council doing its job and being resourced to do its job. We are a house of review. We are a house in which committees are expected to operate, and do operate, very efficiently, and do a really good job. I am just concerned that we are falling short of the mark in terms of the resources that we need. I am quietly confident that we have got the ear of certain people in terms of putting our case. We are working pretty hard at it, not out in the open sometimes, but behind the scenes, and we put an extensive submission to Treasury, which is being negotiated continually by our officers Dawn Timmerman and Nigel, in the absence of our Clerk, Malcolm Peacock. I think ground has been made, and I hope to be the bearer of good news very soon.

Hon LIZ BEHJAT: It just seems unusual that you would have a Department of the Legislative Council and a Department of the Legislative Assembly and their annual reports can be quite different in the way they are presented. One would think there would be uniformity, but, never mind.

Hon PHILIP GARDINER: Just to pick up on the point that is being made by Hon Liz Behjat, you have suggested, Mr President, that we write to the Legislative Assembly. I presume by that that you mean the Speaker. Is he the person we should write to? I think this is material, because we can very easily know from the scheduling how many days the Legislative Council committees sit and how many days the Legislative Assembly committees sit. If it is the case that one house has fewer resources than the other and there is an imbalance, that should become evident from that. If that information is not in the Legislative Assembly annual report, which I have not read, unfortunately, are we doing anything at all to try to get that data, because I would think that would be very telling data about what resources we need to service our committees relative to anyone else's committees?

The PRESIDENT: Yes. Can I say that in the submission that we have put to Treasury and to government—I have been associated with only one budget round as President—I know that that submission highlighted very clearly some of those points. I know that the submissions put by my predecessor as President over the past four years highlighted similar points. We can highlight them. It is not up to me, and I do not intend, to denigrate the Legislative Assembly. They have a job to do, and it is not really for me to comment on what happens there. But we have certainly made those comparisons, and we are hopeful that we can get the point across that we have a job to do, too. In some cases, that involves a lot more hours of committee activity than the Legislative Assembly, for instance, just by way of comparison. So we have highlighted it and we will continue to highlight it, but in the context of we have a job to do, and we need the resources to do our job.

[3.00 pm]

Hon PHILIP GARDINER: Could I push that a little bit further? It should be all public information, I presume. What resources do we have per hour of committee sitting in the Legislative Council? Do we have anything like that?

Mr Hunter: We can probably talk about the number of hours that Reporting Services captures in terms of transcript from committee hearings—one comparison versus the other. The Parliamentary Services' annual report captures some of that information. I think the committee also has that information there as well. We are able to find how many hours we have reported for Legislative Council committees versus Legislative Assembly committees. We can certainly provide that.

[*Supplementary Information No A1.*]

Hon PHILIP GARDINER: I would find that information helpful. Then, do we know the number of dedicated people to each of those committees, who are working in the committee area? How many people are dedicated to Legislative Council committees as opposed to the Legislative Assembly committees? Is that public information also?

The PRESIDENT: We can certainly tell you the Legislative Council numbers. Once again it is a question for the Legislative Assembly, which should be available in their annual report, I would imagine. It is their choice whether they report it or not. It is not our choice whether they report and how they report.

Hon PHILIP GARDINER: Is it possible to get that information, as far as we have it? If we do not have it, perhaps we can write a letter to the Legislative Assembly if there is a gap. Could we have that information, Madam Chair, about the dedicated committee resources servicing the hours of committee work that are done in the Legislative Council on the one hand and the Legislative Assembly on the other, and where there is a gap, we can write.

The PRESIDENT: Madam Chair, can I suggest that the figures that Mr Hunter referred to we can provide that in writing. The annual reports for the Legislative Council, Parliamentary Services and

the Legislative Assembly are due in about three weeks. I suggest that might be the time to make some valid comparisons and, if you have any further follow-up questions, we are happy to provide it from the Legislative Council, certainly in my place, or as the joint Presiding Officer for the Parliamentary Services Department.

The CHAIR: I guess the submission you made, which would give a lot of the detail, is in confidence; is that correct? I know previous Presidents have had the same problem—at the time you make that submission would be when you make your case. I guess that submission would reveal probably a lot of what we are chasing, but I do not want to ask you to give something that was provided in confidence.

The PRESIDENT: It is in confidence at the moment because negotiations are occurring as we speak between Treasury and the finance department. Our submission to the Economic and Expenditure Reform Committee is in confidence as well. In fact, I regrettably knew the outcome of the budget papers about a month before they actually appeared. I could not say anything.

Hon KEN TRAVERS: We will look for your frown before the budget comes down, or if you are smiling!

The PRESIDENT: We will check that out too, Madam Chair. If there is a stage where we are free to release that submission, we certainly will.

Hon KEN TRAVERS: My question follows a lot of the questions that have been asked. I am trying to understand. Is it purely up to each individual department to decide how it presents its annual report? I have had the same debate, whether it is the Legislative Assembly, the Legislative Council or the regional development commissions across the state—there is not some sort of commonality between the presentation of the annual reports and the budget papers. The budget papers for the Council divide up the committee services and the general services; in the Legislative Assembly there is just one big pool of money. They break out the education office, which would seem appropriate to have that as a separately identified area, but they do not then break up between the support to the chamber and committees, for instance. Who takes that decision? Is it the individual department? Is it Treasury? Why is there a difference? The same with the annual reports—as was noted earlier, the Legislative Council annual report details the amount of travel that has been undertaken by people. I cannot see anywhere in the Legislative Assembly where they detail that information. How are those things determined?

Mr Bremner: There are two aspects to your question. The first aspect is the format of the annual report. Every year there is a Premier's instruction put down detailing the minimum mandatory requirements for inclusion in the annual reports. By and large the three parliamentary departments all follow that format for minimum reporting requirements. They are largely statutory-type reporting requirements. The actual textual content and the way in which the annual report is framed and the workload-type statistics which are provided are really at the discretion of each and every agency and also parliamentary department. Yes, there need not necessarily be any commonality between the reporting entities. As far as the structure of the budgets goes, each department discusses with Treasury the format for their individual budgets—how many outputs there will be and the format in which it is shown. By and large there is a standard format put out by Treasury as to what the budgets should show, but the number of outcomes and the subcomponents that the agency budget is divided into is really a matter of discussion between each agency and Treasury. Once again there is no commonality of approach in that respect. I agree with you, it is very hard to do cross agency-type comparisons.

Hon KEN TRAVERS: Is it not something that the two Presiding Officers ever talk about; that is, trying to bring commonality between both the budget presentation and the annual report so that there is a common body of information provided for both? If it is not, is it something that can be taken up by our President with the Speaker in the Assembly to ensure that there is a common degree of information that is being provided about both houses?

The PRESIDENT: I have not had that specific conversation with the Speaker. Yes, it is something that can come up. On a monthly basis we have management executive committee meetings involving the Speaker, myself, the Clerks of both chambers and Russell Bremner. That is a forum where it perhaps could and should be discussed initially.

Hon KEN TRAVERS: The other issue that I find interesting now is within government there is a reporting process for overseas travel. All departmental travel and all members of Parliament travel is reported, but there does not seem to be a similar procedure. I accept in the Council it may be because there is not much—why do we not report on Council and Assembly travel in the same way that every other agency of government is required to report? I understand we are not bound by the powers of the Treasury on these matters, or the Premier, but in terms of principle, why are we not making those same reports on a regular basis about who has travelled, how much they spent and where they went? In our annual report there is at least some information. My question is probably more pointed at the Assembly, although I know we do not have them here today.

The PRESIDENT: I agree with you that the Parliament should be reporting along the same lines as the public service in terms of accountability. I want to make sure that the Legislative Council budget and the Parliamentary Services Department budget, which I have some control over, reports along those veins, in our annual report.

Hon KEN TRAVERS: I think it is now on a quarterly basis with a bit of a lag time, the Premier tables a detailed report about who travelled, whether it was free or paid for, where they went and what the cost was. Have you got any problems with that being provided and maybe setting an example for the Assembly by providing that information from the Council?

The PRESIDENT: I have just been informed that the same question was asked during Legislative Assembly estimates in terms of standardising an approach. I agree with you that that is the way we should be reporting. We will take that up amongst our joint forums again.

Hon KEN TRAVERS: Likewise I think after trips as well. It is always an interesting one about how you measure the benefits of them. Each member will measure benefits in their own way. I know with your trip you have been quite open today with us, it is public knowledge; in the same way, if a minister or a member of Parliament uses imprest to travel overseas, there is at least some report made. For committee trips, it is often the committee will report on their document if they have gone and done that travel. Is there a process when travel is conducted, not just by yourself but any staff member of the Legislative Council, that there be a reporting mechanism?

The PRESIDENT: Only through the annual report at this stage. I have mentioned the China trip, where we went away as a delegation from the Legislative Council. I actually faced that dilemma in my own mind when I came back. I do not think there was any requirement for me to report to anybody but I wrote to the Premier. I am happy to make that letter available if you want it. It was just a report on my observations from the trip. It was not an official report. I thought at one stage: is it appropriate for me to report to the Legislative Council? Perhaps I could take that up even if it is in the form of a tabled paper or something like that.

Hon PHILIP GARDINER: We could all benefit, yes.

Hon KEN TRAVERS: Again, with those sorts of reports I would be happy if you did a report and the other members—I think you said two or three other members that travelled—all then sign off or add their own little bits, that becomes a report. I do not know that you need five different reports. One of the great tests here is that we need to be demonstrating, even though we are not subject to the accountability mechanisms, that we will link to the same standards that we expect of others within the public service.

The PRESIDENT: It is a valid point. That has been exercising my mind as well, about how to get to that point.

Hon KEN TRAVERS: Making that a requirement for all travel within the department, so whether it is PSD or Council staff, the same requirements are made. Then we might be able to encourage the Assembly to take up a similar position.

The PRESIDENT: We are doing an internal audit. Another example is where the Speaker and myself, and Russell, travelled to a couple of interstate Parliaments to have a look at their facilities and how they have worked upgrades into their buildings. We wrote an internal report on that, but it is internal. We are using the information that we have gathered in a master planning exercise that we are part of as the Parliament, together with the executive government, together with the City of Perth, in trying to come up with a blueprint for this general area to meet the requirements of executive government accommodation and parliamentary requirements plus the connectivity issues of Parliament with the city.

Hon KEN TRAVERS: We all acknowledge there has been a decrease in that item for the committees. A lot of the focus was on travel for the committees. The area that I am more interested in, to be honest, is the cost pressures on staff and the research capacity of the committees. I understand travel has been cut, that is the first thing, but I am still concerned about whether or not there is increased pressures on staff, research staff and support staff within the committee office to be able to manage the workload that the committees are producing.

[3.15 pm]

The PRESIDENT: I have had some conversations with some of the staff, the Clerk and the Clerk Assistant (Committees), and there has without doubt been increased pressure in some areas. You would probably know that committees wax and wane; some committees have intense periods of activity and then not so. There is a degree of flexibility, which looks after that to a certain extent, but it cannot cover it completely. I know that many of the committee staff work over and above what they are professionally obliged to do.

Hon LIZ BEHJAT: Absolutely.

The PRESIDENT: I know that from my time on committees, and I certainly know it from my conversations with people lately. We have had the evidence of a couple of committee reports tabled—virtually blank reports—by committees saying that they had not had the time or the resources to complete them. That is not good enough. We have to fulfil our obligations as a Legislative Council better than that. So, yes, I am aware of it. Of course, there is also the obvious pressure on Reporting Services—Hansard—in terms of committees. You see that all the time. We see it obviously in the chambers. But the pressure on their services with committees is more acute when there are four or five committees sitting at once.

Hon KEN TRAVERS: I guess that is a similar comparison to what people were talking about in terms of travel budgets between the committees. I am interested in a comparison in terms of the staff and the resources that are available. I had the fortune to serve on a couple of joint standing committees that are serviced out of the Assembly. Again, it may not be the case now, but it always struck me that there were greater resources, and I know that some of our staff may have a history and experience of these matters, and that the resources in terms of the staff are greater. The reason I raise this is that I also share your appreciation about the work our staff do, but I also have concern about the pressures that we are constantly as a committee putting on those staff, because we want to do our job and so we just keep doing the job, and often I think we forget the pressure that throws back into the back-of-house in terms of the research capacity. So I think it is an appropriate time to raise those concerns about the volume. It may be that the Assembly is working at a reasonable level for their staff and we are just working at a higher level. I do not know whether any comparison is ever done on that.

The PRESIDENT: I do not think it is my place to comment on Legislative Assembly committees and how they operate. My concern is with the Legislative Council committees. I think the

committees have done, and continue to do, a fantastic job, not just in terms of the members' application to them but particularly the staff application to committee work. I think it has always been fantastic. Yes, they are put under pressure and they are increasingly under pressure; there is no doubt about that.

Hon PHILIP GARDINER: I just have one final go at this area. You mentioned earlier that one of the reasons for the cutbacks being made to the Council was the money being spent on investigative travel. Did I hear that correctly?

The PRESIDENT: In terms of the Legislative Council budget, the bulk of it is not discretionary, because that goes with salaries and wages basically and fixed expenditure. There is about \$3 million of the discretionary fund that is predominantly just the chamber operations, outside staffing and the committee operations. It comes down to what to look at cutting. We cannot cut staff to committees, because there is pretty clear evidence that they are well and truly needed.

Hon PHILIP GARDINER: A fixed cost, yes.

The PRESIDENT: A fixed cost, and we have limited discretionary costs, variable costs, and investigative travel unfortunately is the most obvious one in terms of a sizeable dollar sum. We can look at other discretionary items, like afternoon teas —

The CHAIR: Bulk-buying biscuits!

The PRESIDENT: Some sort of serious measures like that! But even if we did that, it would be small dollar amounts rather than the major items.

Hon KEN TRAVERS: If we were the Assembly, we could cut down on hospitality and save a bit!

Hon PHILIP GARDINER: We are off the Assembly, Ken.

Hon LJILJANNA RAVLICH: They are putting on weight!

Hon PHILIP GARDINER: Looking at the 2008–09, there is a level of travel outlined there as committee travel, but I presume that the travel that, for example, the executive of the Council might do, such as yourself and so on, that is not in there. So the investigative travel needs to be separated out from the travel that is done as a matter of committee work, if you like, and that is a matter of Council work. Is that separated out anywhere?

The PRESIDENT: I will make sure that it is this year, if it has not been in the past. I have not got a copy of that report in front of me. That is the way I want it to be and that is the way I intend it to be this year.

Hon PHILIP GARDINER: Looking at this is quite interesting. In 2008–09, the committee travel was only \$68 000. You say that has been cut back to \$36 000. Going back to the point that Hon Ken Travers made, the real part about it is the research people we have to service the committees for the research output.

The PRESIDENT: That was \$68 000, was it?

Hon PHILIP GARDINER: Yes.

Hon LIZ BEHJAT: It is a combination of interstate and international.

The PRESIDENT: It is probably a reduced figure anyhow, because that was the election year when a large part of Parliament's activities were put on hold for several months.

Hon KEN TRAVERS: The year before it hit \$150 000, and in the two years before that it was even lower.

Hon PHILIP GARDINER: That is right. There is a big variation. Just picking up on Hon Ken Travers' comment, it goes from \$37 000 in 2004–05; \$16 000 in 2005–06; \$36 000 in 2006–07; \$162 000 in 2007–08, so that is a big one because there was a big lump of overseas travel in that;

and then \$69 000 in 2008–09. It is pretty hard for someone to cut that back, I would have thought, apart from 2007–08.

The PRESIDENT: We can take that on notice, but I am not sure whether Nigel wants to make a comment. Do you, Nigel?

[*Supplementary Information No A2.*]

Mr Lake: No, I do not think so, looking at those figures. I think one point I would make is investigative travel is always driven by demand, so it is going to vary from year to year. It does not take much in the nature of numbers of trips for it to mount up. But I think the point that the President has made is that it is one of the areas where, if we are going to make savings and there is pressure in terms of insufficient funding, we have to look to first. If the committee wants to do something, and it is not just simply travelling overseas or travelling interstate, but also travelling within WA, which I think is an important function, particularly for Council committees. This is a house that has done only one regional Parliament. I would like to think that committee activity is one of the means by which the Legislative Council would take Parliament to the people. Our committees travelling throughout the regions and hearing what people have to say is the sort of activity that by virtue of the current funding you are saying we are not going to be able to do. So for specific comments on some of those variations I would have to look at the figures and get back to you.

The CHAIR: I think it is certainly true of our most recent inquiry into the district high school allowances. It served many functions to be out there having meetings with the community. They were interested in how Parliament worked and what we did as a committee. So it was not so much just the topic. I do not know if other members would agree, but I was quite impressed with the amount of conversation we had after hearings and people wanting to talk about how Parliament worked. It was good to see members actually going out and meeting in the local hall.

Hon LIZ BEHJAT: But at the same time, I think the issue there—you, Mr President, might like to take this on board when you are having your negotiations—is that the committee on two occasions on that inquiry undertook to do the travel in their own time and at their own expense, leaving Parliament House at six o'clock in the morning to travel to the country to conduct all-day hearings and then return to Perth that night, because there was no money in the budget for us to travel and spend time outside. We took Hansard with us and our committee staff. I at that time had some real issues in regard to occupational health and safety, as to whether or not we as members of Parliament really should have been driving staff after we had been sitting in on those hearings all day, to then have to turn around and do a three or four-hour drive home again. So whilst it was really necessary for us to do it and we did gain benefit from it, I think that there were issues surrounding it and that we really should not have undertaken it.

The PRESIDENT: Welcome to life as a country-based member!

Hon LIZ BEHJAT: I could see from your face that you were going to say something like that!

The CHAIR: I suppose it is one thing for members; it is another thing for staff to have to be put in a position. I am sure you do sympathise.

The PRESIDENT: I do. There are a couple of different aspects. It depends on the inquiries, of course, and whether there is going to be major expenditure required or not. But another aspect of committee travel is that I think the idea of regional Parliaments for the Legislative Council has withered on the vine a bit. The Legislative Assembly is doing them occasionally, and that seems to be a reasonably popular activity. But for the Legislative Council we have only done one, and that was in Kalgoorlie several years ago, as you would remember. I thought that out of that the most effective part of the whole thing was the committee I was chairing at that time. We actually held hearings in Kalgoorlie in conjunction with it. So for committees operating around Western Australia, I think it would be a really valuable exercise for us to try to promote the whole function

of the Legislative Council through committee operations, because from a financial perspective, having regional sittings of the Legislative Council is not really viable.

Hon PHILIP GARDINER: I agree.

Hon KEN TRAVERS: I would agree with that. Let the show ponies do that and we will go and do real work for the committees in the regions!

The PRESIDENT: The other aspect of all committee hearings and travel—whether it is travel to North Perth, somewhere else in WA, interstate or overseas—is that it is a professional development opportunity for members and staff. That is really important. As an institution we need to continually grow and improve and reinvent ourselves sometimes.

Hon LJILJANNA RAVLICH: Can I just ask, as a follow-on from that, for the accessibility of Parliament and what it does, for people to have a better understanding of the functions and so forth, one of the things that those regional Parliaments were good at was taking a message out there about what Parliament is about, what members of Parliament do and so on and so forth. I notice in your annual report for 2008–09, you do have executive services that deal with media, public awareness, and information technology and all of that really is geared up to, I guess, improving the interface between the public and what happens at the Parliament. I am just wondering whether something as common as advertising may not form part of the mix of activities that you might do to promote Parliament and what Parliament does; for example, even an advertisement that would give the people in their lounge room a link to the website and how they could then get onto *Hansard* or the previous day's proceedings. I think that people would find that sort of thing quite fascinating. Certainly I know that even when I speak to journalists, who are by and large interested in politics, a lot of them do not know how to find the appropriate links to access the information that they want from the parliamentary website.

[3.30 pm]

If the people who are actually in the know have difficulties with connectivity, the mums and dads out there would find it particularly hard. I am wondering whether you could give us some comments in respect of that, and whether you would see perhaps that also being part of a strategy of how to move forward in terms of better interface with the community generally.

The PRESIDENT: Yes, sure. Firstly, the education unit for the Parliament of Western Australia is under the administrative banner of the Legislative Assembly; there are historical reasons for that. Nevertheless, I work in close cooperation with the Speaker on those sorts of things, and there are no problems in terms of the work they do. I think both the Speaker and I support the accessibility of Parliament and making it more accessible to people, both physically and symbolically. It is a pity that our Clerk, Malcolm Peacock, is not here today, but he does send his apologies; he is flat on his back in Royal Perth Hospital still, unfortunately. Malcolm, as the Clerk, is very strong on the idea of promoting the Legislative Council and has actually created a media officer position, funded through the Legislative Council. The media officer, who members probably all know and have seen around the place, part of her brief is to do exactly what the member is talking about in terms of working with committees on promoting the work they are doing as committees. Also, in terms of using technology, together with Hannah and Malcolm, we have established a President's webpage, which has the things that I do, like hosting ambassadors and that sort of thing. Also a blog, a Twitter account and a Facebook account have been established. I do not know how to operate those, but apparently they are up there.

Hon LIZ BEHJAT: My 78-year-old mother is a friend of the Legislative Council on Facebook!

Hon LJILJANNA RAVLICH: Can I just finish off by saying that I think they are all very positive steps forward, but I have to say, after being here for 14 years, I still find that the people who frequent this place are protestors, who come up at pretty much the same time every year, depending on what is going on; the schools; political operators; and some international and interstate visitors.

We do not have genuine interest from the mums and dads—the people in our suburbs who really should have, in some cases, a better understanding of the parliamentary process, the importance of Parliament to the operations of the state and so on and so forth. They are the people we do not see enough of in Parliament. We should do anything that can be done to make the work of Parliament more accessible to them. Given that the Governor opens his house, for example, on the weekends and has hordes of people going through Government House, that could well be a strategy worth giving some consideration to and perhaps link it to free transport for a week, and so on and so forth. I know that that is out of your purview. All these things are doable and we should really try very hard to bring as many people through as we can, to better understand the process.

The PRESIDENT: With a background in education also, I share the member's view on that.

Hon LJILJANNA RAVLICH: Social studies!

The PRESIDENT: Yes! One of the first things I said when I became President was that I would like Parliament to be connected to the city and the people, both physically and symbolically, much more than it is. That is part of what we are working towards, hopefully, with this master planning exercise. Once again, that is a committee set up by the Premier. We have done a lot of work, particularly through Russell and his staff, in terms of submitting our requirements for Parliament. It might not happen next year, but hopefully it will happen in a coordinated timetable over the next whatever years to connect Parliament so it is part of the living city of Perth; it is not just stuck up here on the hill where people drive past at 110 kilometres an hour and wonder what is there.

The CHAIR: They would be speeding if they were doing that! It is 80 kilometres an hour down there!

The PRESIDENT: There was an open day in 2004, for our centenary.

Hon LJILJANNA RAVLICH: Once in 100 years! I am thinking we could do it maybe once every year rather than once every 100 years.

The PRESIDENT: At least it is regular!

The CHAIR: It is an example!

Mr Lake: I cannot remember the stats in terms of people coming through, but I think that is one thing among a range of things that we can look at, but, again, it gets back to funding. The President has touched on a number of things that we have done in terms of changes to our website. We are trying to link information and make it more user-friendly. Some members take good initiatives in putting tabled pages on the internet and things like that. We would like to see those things as well. I hate to return to the central theme here, but for those and a range of other things, there are funding implications. When we are looking to save some money, these are the sorts of things that are frankly easy to push to one side.

Hon LIZ BEHJAT: I refer to page 46 of the budget papers. Below the subheading “expenses”, under “Cost of Services”, there is a line item “Other expenses”, which was \$5 million estimated actual in 2009–10. Could someone outline for me, not in great detail, just what other expenses are included in that quite large figure?

The PRESIDENT: That sounds like Dawn's province!

Mrs Timmerman: That figure includes an amount of resources received free of charge from the Parliamentary Services Department. If you look down a little further under the heading “Income from State Government” —

Hon LIZ BEHJAT: That was going to be my next question, because I have quickly come to learn that nothing in this game is free of charge, so we are paying for it somewhere.

Mrs Timmerman: Okay, those two numbers are directly related. As part of an accounting policy of government, agencies need to record the value of any resources provided by another department to

that agency. The established principle for the parliamentary departments is that the total costs of the Parliamentary Services Department are recognised as being there for the purpose of the two chamber departments—the Legislative Assembly and the Legislative Council. The total operating costs of the Parliamentary Services Department each year is nominally allocated to the two chamber departments. That is based on a per-member split between the two, which is relatively arbitrary. There are probably lots of different ways that you could split up the costs, but that is the agreed process at the moment. In terms of the bottom line, there is an expense line, which is included under “Other expenses”, and there is an income line. It has no effect on the bottom line, but for accounting principles, it is necessary to reflect that in the cost of the operating of the Legislative Council.

Hon LIZ BEHJAT: I see—so that is where the deficit of \$248 000 comes in. You get \$4 493 000 in free of charge, but expenses are \$5 014 000, so you have a deficit of \$248 000.

Mrs Timmerman: Between those two lines, there is about \$70 000.

Hon LIZ BEHJAT: Yes, \$70 000, but it is built into that.

Mrs Timmerman: Yes.

Hon LIZ BEHJAT: All right; that is fine.

Hon KEN TRAVERS: Is that also included under “Other services” in the service summary on page 43—the \$5.658 million?

Mrs Timmerman: Yes, that is included in that line. In terms of the services of the Legislative Council, which is the support of the chamber operations and the support of the committees, those PSD-related nominal allocations of costs have been separated out, so they do not impact on the direct costs of those two services. It has not been included in that; it has been kept separate.

Hon LIZ BEHJAT: I refer to the line item “Restricted cash” on page 47 under “Non-current Assets”. What is that, and why does it go up from \$49 million in 2009–10 to \$72 million in 2010–11, and rise up from there in the forward estimates? It is the third line item.

Mrs Timmerman: Restricted cash is funds that are held with the Department of Treasury and Finance for the purpose of the twenty-seventh pay. Roughly every nine years, there are 27 pay dates in a financial year; the next time that that is going to happen for the Parliamentary Services Department is in 2014. We are required to transfer a small amount of cash every year to Treasury so that when we get to the twenty-seventh pay year, we have enough cash to pay the staff in that year, because we will not have appropriated any extra for that year.

The CHAIR: It is a very popular move!

Hon LIZ BEHJAT: I refer now to the Parliamentary Services budget papers on page 58 and “Works in Progress” under “Asset Investment Program”. The hot topic—it was a few months ago—is the Legislative Council chamber refurbishment. I got really angry when the refurbishment was taking place to read conflicting reports in newspapers and people in the street or at functions talking to me about a range of things, such as the chairs in the chamber costing from \$1 400 up to \$8 000 per chair, and people saying that there must have been solid gold running through the carpets because they were so expensive. I would like to have it recorded in *Hansard*, so that I can direct people to it, someone outlining specifically what the individual costs were for those items that I mentioned in particular, just so that we can put that sort of thing to bed.

The PRESIDENT: I will outline the structure then hand over to Russell to outline individual components. The structure of the Legislative Council refurbishment is that the government made an allocation of \$2.5 million for the project in December 2008. That was allocated to the Parliamentary Services Department for supervising the project, together with the Legislative Council staff, but it was done through that budget rather than the Legislative Council budget. As we are a different sort of organisation from most, we could not actually let a contract for that amount, and that is why we will need parliamentary precinct legislation down the track. That contract had to be let by building

works and services. It then let the contract as a lump sum contract to a contractor called Myers Construction. Myers Construction then sublet different aspects of the contract to people who made the chairs, made the prototypes, advised on design of the carpet and so on. That is where a lot of the discrepancies took place. The acquittal of all of that project has taken a little longer than what some of us would have hoped. It has been misinterpreted a few times by the media, who have run stories about \$5 000 chairs and so on. But we have the actual details available in an email from the Under Treasurer. Russell, do you want to handle some of those details?

[3:45 pm]

Mr Bremner: Sure. Further to Mr President's comments, the Department of Housing and Works managed the project on behalf of the Parliamentary Services Department. The Parliamentary Services Department was appropriated the \$2.5 million over three financial years because PSD is the only parliamentary department that receives capital funding; we receive capital funding on behalf of both Assembly and Council-related projects. An initial allowance was made for some items, including audiovisual expenditure, heritage woodwork and IT systems integration, which PSD said it would take care of because of the nature of the services up here at Parliament. The budget amount was then managed by the Department of Treasury and Finance. It put out a public tender and there were four respondents to that tender. As the President said, Myers Construction was the successful tenderer at \$1.188 million. A single contract for the works was let to Myers Construction. By a single contract, we mean that it is responsible for delivering an end product for an agreed amount. It is not normal in that type of contract that the specifics of items within the contract are to be differentiated. The contract included the removal of the fit-out, the modifications and mechanical systems, right through to the lighting upgrade, the carpet, the chairs, the furniture, painting and general repairs. There were a number of variations to that contract, which increased the value of that contract to \$1.42 million, and that was for work that was not covered in the original documentation and adjustments that were needed once work started at Parliament House because of the age of Parliament House. The Myers contract included the supply and laying of carpet in the chamber and the President's corridor. The preliminary estimate of the cost of floor finishes for the whole project—this was the preliminary estimate undertaken by a quantity surveyor before the contract was let—was in the order of \$219 000; however, the final cost of the carpet was \$115 279. So it was substantially less than the original estimate. Similarly, with the chairs, Myers arranged the supply and manufacture of 44 members' chairs through a subcontractor. Myers has advised the Department of Treasury and Finance that the cost to it for the members' chairs was \$1 450 per chair, excluding GST, and that the embossing on the members' chairs was not priced separately, but was included in the overall cost of the chair.

Other project costs included professional services covering the architect, quantity surveyor and project management consultant. As I mentioned, works were undertaken by the Parliamentary Services Department, and that totalled around \$223 000. There were furniture prototyping costs of \$9 640, which included prototypes of the chairs and desks. There was also an \$8 470 charge for the apprenticeship scheme in place during this job.

That is the information that we have from the Department of Treasury and Finance via the Under Treasurer.

The PRESIDENT: In general terms, the project came in on time and under budget. There are still a few things to finish off and Parliamentary Services will be doing them progressively over the next couple of months; for instance, tidying up the entry foyer to the chamber and some other different aspects of glazing, including frosting some glass, and various bits and pieces like that.

Mr Bremner: Similarly, the Department of Treasury and Finance is still finalising some of the final costs for the architect et cetera. However, the final project costs will be significantly less than the \$2.5 million.

Hon LIZ BEHJAT: That is great.

The CHAIR: I would like to have the front page of *The West Australian* when that happens!

Hon KEN TRAVERS: How much did you say the carpet cost?

Mr Bremner: It cost \$115 279.

The PRESIDENT: That came in well under the initial estimate.

Hon KEN TRAVERS: It may be under estimate, but why is it so expensive? I am sorry, but \$115 000 for carpet for that space seems excessive.

The CHAIR: It has particular designs on it and —

Hon LIZ BEHJAT: And it had not been replaced since 1977.

Hon KEN TRAVERS: Yes. I am sorry, but I have stayed out of this debate. I let my views be known when the amount was put into the budget at the same time other agencies were getting a three per cent cut and I have stayed out of the debate on all the others. However, I find that \$115 000 for carpet for that area an incredibly excessive amount of money. I am just trying to understand —

Hon LIZ BEHJAT: Compared to what?

Hon KEN TRAVERS: I just think you would find that the general public would struggle to understand how you could spend \$115 000.

Hon LIZ BEHJAT: Have you brought carpet lately? I am sorry, but it is expensive.

Hon PHILIP GARDINER: It is too late now.

The PRESIDENT: It was a custom-designed carpet. It was not one brought off-the-shelf somewhere from a Parliament House carpet shop! Considering the preliminary estimate from the experts was \$219 150, I consider the final cost of \$115 279 to be pretty good. I have to say that I am satisfied with the quality and the appearance of the carpet.

The CHAIR: I think it is a lot of money but for a one-off thing like that it would be hard to beat.

The PRESIDENT: It is a lot of money, but we should not forget that this is a house of Parliament.

Hon PHILIP GARDINER: Yes; it is about symbolism as well.

The PRESIDENT: I do not want to denigrate a scout hall—the scouts are entitled to good facilities too—but it is not the local scout hall. It is one of the state's premium institutions. In terms of our refurbishment, by comparison with some others close by, for instance the refurbishment of the Channel Seven studios, I think it was remarkably economic in the scheme of things. The other aspect of it is that we are working with a heritage building and for anything you do with a heritage building you can assume the price will be significantly higher than it will for a standard building.

Hon PHILIP GARDINER: I heard that the UK house of Parliament maintenance bill is £485 million—over \$1 billion.

The CHAIR: Annually?

Hon PHILIP GARDINER: Annually; in a country with a budget deficit.

The PRESIDENT: That is a real heritage building.

Hon PHILIP GARDINER: I know it is, but that is a real price!

The issue of the CPA—the Commonwealth Parliamentary Association—funds, are those funds drawn out of the Legislative Council budget or the Legislative Assembly budget? From where do those funds come? I know that we pay membership fees, but that is a small amount. Where is the budget item for that?

The PRESIDENT: I think, apart from our individual membership fees, that it is a direct appropriation from the government. Is that correct?

Mr Lake: Yes; that is right. The role of secretary and treasurer of the WA branch of the CPA alternates between the Clerks each Parliament. It is with the Assembly for this Parliament. Is it in their budget or —

Mrs Timmerman: It is in the Assembly budget.

Mr Lake: Money is put in the Assembly budget for that purpose and is drawn out of the Assembly budget. You are right: the activities of the local branch of the CPA are only minimally funded by the fees that the members pay.

Hon PHILIP GARDINER: Thank you. Should I then find something in previous years when it was with the Legislative Council?

Mr Lake: Yes.

The PRESIDENT: In the previous Parliament it would have been under the Legislative Council.

Hon KEN TRAVERS: Under the Assembly budget, it was added in as a major policy decision change in this year's budget. I do not know whether that is the full amount or just the additional funding—that is, \$90 000 this year, \$112 000 next year and then \$80 000 each year thereafter. That is added into the Assembly's budget for the Commonwealth Parliamentary Association grant funding as a major spending change. I do not know whether that was a top-up or —

The PRESIDENT: That would be pretty standard, I would think.

Mr Lake: They are the funds appropriated for the branch for those years. Basically, they are drawn out of the Assembly's account and put in the CPA bank account.

Hon PHILIP GARDINER: I see. Am I correct in saying we would not ever see it in the Legislative Council's account? It would just be paid across to an account that we would then operate when it is our turn to operate it; is that how it works?

Mr Lake: As it appears in the Assembly's budget at the moment, it has appeared in the Council's budget previously and will appear again close to the next election.

Hon PHILIP GARDINER: Okay. But in this annual report, it does not —

Mr Lake: Yes.

Hon PHILIP GARDINER: Do you have any idea where will I find it in this report?

Mr Hunter: The year before for that one.

Mr Lake: When was the last time it appeared?

Mrs Timmerman: It was in 2007–08? The difficulty is that what tends to have happened from my knowledge is that lump sums have been transferred to the CPA at certain points in time and then drawn down over a period that does not necessarily coincide with particular financial years. I would have take it on notice and look back to see when payments were made from the Council to the CPA during the years that it was with the Council—that is, during the last Parliament.

The PRESIDENT: We can find some more information.

Hon PHILIP GARDINER: I would be interested in the appropriations being made—from wherever it is, yes.

The PRESIDENT: The general pattern, as I understand it, is that the government makes an appropriation through either the Assembly or the Council budget, which is then taken into a separate CPA bank account and operated from there.

The CHAIR: We just need to give that a number; that will be supplementary information A3.

Hon KEN TRAVERS: Just on that point, you should also find that it should at some point, although the accounting standards may have changed, show up under grants and subsidies; it

certainly does in the Assembly for this financial year show up as an amount under details of controlled grants and subsidies, Hon Philip Gardiner.

Hon PHILIP GARDINER: Okay.

Hon KEN TRAVERS: I just wanted to ask: is it on the four-year term that the rotation occurs? I was reading some stuff earlier that suggested that the chairmanship was rotated on an annual basis.

The PRESIDENT: No.

Hon KEN TRAVERS: It is on a four-year basis.

Mr Lake: The chairmanship is a different matter.

The PRESIDENT: Well, it surprised me a little bit too when I became the President. I had thought prior to that that the chairmanship of the CPA changed on an annual basis, but I was informed that decisions had been made somewhere and that it had changed to the four-year period of the Parliament. That is what I understand about the chairmanship, although I still have a couple of questions to ask about that. We will clarify it for you, because I have a question mark in my own mind about that. I do not think that it is quite appropriate that the chairmanship stays with one place for four years in a row, quite frankly, but —

Hon KEN TRAVERS: I am glad to see that the President is bewildered by the process just as much as the rest of us are at times!

The PRESIDENT: I am sorry that I cannot answer your question as I should, but I will get back to you on that.

The CHAIR: We will put the CPA funding and chairmanship arrangements under the same supplementary information number.

[Supplementary Information No A3.]

Hon KEN TRAVERS: When you provide that information, can you also tell us whether our budget has been added to in previous years to pay for the CPA funding or whether it has just come out of that money that was generally added, or whether our budget has been decreased because we no longer fund the CPA over the next four years?

The PRESIDENT: We can give you the history of that—can we not, Dawn?

Mrs Timmerman: Yes.

The CHAIR: So that will also be in supplementary information A3 by the sounds of it.

Thank you for providing the answers to the questions that I presented earlier. This is a small thing in relation to Parliamentary Services, but I noticed in the answer regarding water consumption something which intrigued me; that is, drinking water consumption has dropped by 62 per cent.

[4.00 pm]

Mr Bremner: The number of 15-litre bottles?

The CHAIR: Yes.

Mr Bremner: Because we have actively replaced a lot of the bottles with plumbed water fountains.

The CHAIR: Excellent! I thought there would be a good explanation for that. I did not assume that people had stopped drinking water! Is the intention to do away with the 15-litre bottles ultimately?

Mr Bremner: Realistically, there are some areas in the Parliament where the 15-litre bottles are located where it is totally uneconomic and very difficult to actually put plumbing in, so we have made a conscious decision that we are minimising them to the point where the economics start to impact.

The CHAIR: They are terrible things those plastic bottles.

The other thing I wanted to note rather than particularly ask a follow-up question on is in relation to my question on Parliamentary Services. Since we were talking earlier about staff and the amount of work that staff do, I think it is interesting to note that our ratio of parliamentary staff to members is a lot lower than most equivalent Parliaments. It is something that I have raised over the years in terms of the work. We do get good quality work from the library staff in particular equivalent to other Parliaments. I guess, Mr President, I just raise that as another area where we need to continue to ask for more resources in my view. I certainly get very good value for money out of the library staff. If you look at the ratio of members to library staff, we are still below most of them.

The PRESIDENT: Yes, duly noted.

Hon PHILIP GARDINER: Can I just raise an observation on that? Am I correct that in Victoria, for example, where I think there is a much higher level of staff, their staff service the committee system? They have a different structure.

Mr Hunter: Not the library staff.

Hon PHILIP GARDINER: But there is a lot more work at the library. Committees are set up, I think, as select committees over there. I understood that that is why they have got a much higher number of library staff. I would be interested in the explanation anyway. I think it was only noted, was it not? I would be interested in the ratios to which the Chairman has referred and whether there is a structural issue there or whether it is just a straight under-resourcing of ours.

The PRESIDENT: I think both Nigel and Russell have got a bit of input on that aspect. They are more familiar with the Victorian Parliament than I am.

Mr Lake: I do not think there is much in the way of committee support provided at the Victorian library or, indeed, at the other parliamentary libraries with the possible exception of the federal Parliament. I am not really sure about those; their numbers are staggering.

Hon LIZ BEHJAT: Not the federal Parliament.

Mr Lake: The difference, really, is research support. A number of the other state jurisdictions provide research support out of the parliamentary library for members.

Hon PHILIP GARDINER: Research officer; that is where I am getting mixed up.

Mr Lake: As an offset—I am not saying this is a good or bad argument—members are probably aware that they all got an extra FTE assigned to each of your electorate offices. I guess you could suggest that is an alternative to this arrangement. I could not really speak to some of these whether they do not have both; that is, they do not have those resources in their electorate office and also available at Parliament. But the difference would be about the amount of research that is actually directly provided out of the parliamentary library.

Hon PHILIP GARDINER: Yes. I was getting confused between the committee part. But you are right; it is the research officer for the members, which is a library resource rather than an individual resource.

The PRESIDENT: Of course, the Victorian Parliament operates their members' electorate offices and services as well, which is different from our system where our electorate offices are managed through the Department of the Premier and Cabinet. Each of the Parliaments around the place all tend to have their own different nuances and different ways of doing things.

Hon LIZ BEHJAT: I am referring to the written responses given to Hon Giz Watson's questions, and in particular question 19 on the member ratings. The answer there was saying that this time out of the survey, 21 responses were received. For the PSD survey, eight responses were received from Legislative Council members that were self-identified, plus seven responses that did not identify a chamber. Would you have been getting responses from people other than members of the Legislative Council?

Mr Bremner: The survey was issued to all members. We did not differentiate between Legislative Assembly and Legislative Council.

Hon LIZ BEHJAT: Sorry? So out of two houses of Parliament, 21 responses were received from a total of 95 members?

Mr Bremner: Correct.

Hon LIZ BEHJAT: That is appalling—on their behalf not your behalf, I am saying.

Mr Hunter: Can I qualify that, Russell? Last year when we sent out the survey, we did it electronically as a way of reducing the paper creation. Then we counted the number of surveys that we had after a period, which was about two weeks, and then, given the number of absent surveys we had when we did not get anything back, we decided to produce a hard copy and then hand those hard copies out in the chamber, but only produce a smaller number of papers. This year we elected not to do any paper distribution at all and did it all by electronic distribution. I sent an email out on behalf of Russell, and the Office of the Auditor General suggested that I put a read receipt on the email, which would suggest that I know when a member has opened it; for example, I know exactly when the chairman has opened her one and on what date.

Hon KEN TRAVERS: Did we get the option of actually saying no to that read receipt?

Mr Hunter: Yes.

Hon KEN TRAVERS: Good!

Mr Hunter: Unfortunately, it was flawed. What that meant is that is in the case of the entire 95 members from both houses, 58 or 51 of them—I would have to have a look—opened the email, whereas last year everybody got one. Obviously, a lot of people did not open the email and of those numbers that opened the emails, we received 21 responses.

Mr Bremner: The 21 in the answer actually refers to responses to the Legislative Council.

Mr Lake: There are two surveys we are talking about here in this answer.

Mr Hunter: No; the number for the total responses was 21 of all member surveys.

Mr Bremner: Sorry; that was coincidental.

Mr Hunter: Was it? I did not know that. It was the same number

Hon LIZ BEHJAT: I bet you it was the same 21 members. They were probably all LC members and none of those LA members answered your survey. That is what it would be. I think that an observation I would make is that it is appalling when people are very quick to complain about services and things like that, but if you do not get those indicators back from members, how on earth are you meant to work on what is good, what is bad and what is indifferent?

Mr Hunter: On a positive note, we did get the highest number of staff responses ever. We had 99 staff.

Hon LIZ BEHJAT: That is probably because the class of 2008 are now in Parliament! I would say that is what it is.

The PRESIDENT: Have you got any suggestions of how we might improve that?

Hon LIZ BEHJAT: Yes; tell them you will not pay them until they do their response! They are not getting that twenty-seventh pay; they are not getting the twenty-sixth, the twenty-fifth or anything else!

The CHAIR: You could do what local councils do. They give an incentive if you get your survey in on time—raffle a bottle of wine or something.

Hon LIZ BEHJAT: I think the Auditor General mentions that, does he not?

Mr Hunter: We did that.

Hon LIZ BEHJAT: That is right. You get council passes for being the first one to pay your rates. I do not know, but I just think on behalf of the hard work that you put in, it is a shame to see that more people do not contribute to that.

The other question I have in relation is: when we did our very excellent induction program in May 2009, which is going on nearly 18 months ago now, it was said to us then that very soon, in relation to the provision of IT equipment and support and software et cetera, it was all going to be done under one umbrella. I am just wondering where are we with that program and are we there yet?

The PRESIDENT: I do not know whether anybody recollects making that statement, but —

Hon LIZ BEHJAT: As a new member paying attention to every word that was being spoken, I can assure you!

The PRESIDENT: It has been the aim for a long time. As we all know to our frustration, our IT systems are managed separately through Premier and Cabinet and through the Parliament.

[4.10 pm]

In an ideal world, the Parliament should manage the resources for the members—that is the way it should be—not the executive. But the resourcing of that has been a constant issue; for us, as the Parliament, to volunteer to take it on, we want the resourcing to go with it, otherwise it just will not work. The most important thing I know that members want is compatibility. It seems that we are making some progress, but not completely. In anticipation that the question may have arisen, I have a prepared answer to this, which reads —

The Speaker and I have written to the Premier requesting this to occur.

That is, all services being provided by the Parliament —

My understanding is that the Premier has sought advice from his department; however, from feedback received by parliamentary staff, it appears that the transfer of all functions is unlikely to occur during the current parliament. For any such move to occur, the Parliament would need to be adequately resourced to ensure that member services can be provided to an appropriate standard. I remain hopeful that we shall see some positive moves on this over the next 12 months or so.

On a related front, I note that we have had recent verbal advice indicating that in order to better manage issues surrounding the provision of member IT services, responsibility for members' laptops is likely to transfer to DPC. I am told that the next upgrade of members' laptops will now be undertaken by DPC, and they will now plan to coincide it with some other new electorate office IT equipment due for February 2011.

I guess the summary of all that is that, hopefully, we have helped to provide some continuity and compatibility. It is still not in the right place as far as the Parliament is concerned and as far as I am concerned, but the resourcing is the major issue of it. There has to be a significant commitment from government to resource it properly, otherwise the Parliament would end up with a massive headache that we could not service.

Hon PHILIP GARDINER: That is right

The PRESIDENT: I dare mention that, over the weekend, there has been a little breakdown in members' services in parts of the Parliament, and the parliamentary IT services have done a great job, sort of, getting that sorted out over the last couple of days.

Hon LIZ BEHJAT: For the benefit of other non-government members, this was not a dorothy dixer, so that prepared answer was nothing that I had set up before; I am genuinely interested about the IT equipment.

Hon KEN TRAVERS: That would have been a dorothy dixer we approved of, anyway.

Hon LIZ BEHJAT: I have been having conversations in relation to some issues I have with this laptop, and in the course of that conversation I think it was said to me, “Oh, don’t worry, because they’re going to be rolled out in October 2010”, but you have, just now, said it will be February 2011, Mr President.

The PRESIDENT: Yes.

Hon LIZ BEHJAT: Has it been pushed back; is that is what is going to happen now?

Mr Bremner: On the basis that the Department of the Premier and Cabinet is responsible for the software that needs to go on the computers, it is planning a new upgrade of software in members’ electorate offices in February. The current members’ laptop lease expires in November, which, all things being equal, would mean that in October or early November, the laptops would have been replaced; however, DPC has requested that we actually roll the lease for a three-month period, through to February, otherwise they would have to roll out new laptops with new software that, possibly, would not be compatible, or they would roll out new laptops with current software, and then, in February, have to take the laptops back and put the new software on again. It would be a double-handling exercise within a very short period of time, so in the interests of doing it as smoothly as possible, rolling it all out in February seems to be the most appropriate way to go.

Hon LIZ BEHJAT: With regard to the rollout of the new laptops—you may or may not have this information—Mr President may have noticed that, more and more now, members are purchasing iPads and bringing them into the chamber. Will there be choice for members about whether they can have Apple laptops rather than Microsoft-managed laptops; is that being considered?

Mr Bremner: Certainly in all the discussions I have had with senior staff at the DPC in relation this I have stressed the point that members have indicated that they wish to be involved in the selection process, and there should be a choice; however, the choice discussed has been on the criteria of a lighter-weight laptop and a heavier-weight laptop. As far as moving away to Apples, iPads, and things like that, we have not had those discussions; they are discussions members would need to have with DPC.

Hon LIZ BEHJAT: Okay.

Mr Bremner: I might also add that because of the number of members using iPhones and iPads et cetera, the committee members would be aware that, several weeks ago, we actually put an IT hotspot into Parliament to allow connectivity of those devices, rather than the Hayes Cafe wireless network.

The PRESIDENT: We have certainly requested that members have some input to DPC when they roll out this process. As you are aware, we have members across both chambers who are very, very IT savvy, right down to members who cannot operate an automatic channel changer on the television.

Hon LIZ BEHJAT: Yes; we all know who that is.

The CHAIR: I do not, if that helps!

The PRESIDENT: I was not indicating anybody in particular.

Hon LIZ BEHJAT: There could be one, two, three, four or five. It would probably be better if we could have the choice, but there we are.

The CHAIR: Before we get off that topic, this has been the subject of separate correspondence directly to Mr President, but the other thing to be aware of around who has the carriage of the emails and the laptop is the question of confidentiality, too, which is why I have written to Mr President asking that he investigates FOI-able questions around whether your emails are FOI-able.

Hon LIZ BEHJAT: No; they are not.

The CHAIR: Yes, they might be. That was an answer to a previous question put in this place.

The PRESIDENT: That is being researched at the moment.

The CHAIR: I would argue very strongly that Parliament is the place to have custody of that information, because if they were letters between constituents and us, we would not be offering them to DPC to have custody of them. I just throw that in as another little line of inquiry I have happening.

The PRESIDENT: The point Madam Chair makes is that all of that information is kept at DPC, not by the Parliament. I actually share her concerns; it needs to be clarified. There has been a precedent, whereby some information was obtained from a member's email—that was from the MP account, not if you are operating separately. That is why I have always firmly believed that these sorts of members' services should come under the Parliament, and we have to get the resourcing and the commitment. I think we have the commitment, but we have not got the resourcing to do it; hopefully we can move, in a few years, towards some of those services. We are talking about not just IT services, but we are talking about other members' services, such as the use of vehicles, electorate office servicing, imprest accounts—that sort of stuff.

The CHAIR: Certainly the storage of information is a whole new area which has really only come up in the last decade or so. It was not an issue before, but now it is an issue and I think it has, sort of, got ahead of us in that respect. I am sure the placing of IT was probably more of a practical decision, but it has implications.

Hon KEN TRAVERS: On that point then, if the argument is that it should be coming under the auspices of the Parliament, why, then, are we handing over the laptop decision to DPC?

The PRESIDENT: We do not want to, but members want some compatibility between their services above all else, I think, at this stage. If we were going to do it on our own like we normally do by rolling out members' laptops, the Parliament would still be constrained by what DPC are going to do in terms of its software.

[4.20 pm]

Hon KEN TRAVERS: As we have been in the past. But I would have still concerns about handing over the actual purchase and the choice and all of those decisions to DPC. If your argument is that you want to consolidate it in DPC, my experience of these matters is that once you hand something over to someone, you never get it back. So, the more you hand over to DPC, the more it will ultimately be the case that DPC does everything and we do nothing in the Parliament. What I am hearing is that people are saying that it should all be done in the Parliament and not by DPC. So, the more you hand over to DPC, the more it will be consolidated under their control, without any ability to pull it back at a future time.

The PRESIDENT: There are more and more complaints coming to me, and perhaps also to Russell and Rob and the Clerks, about the difficulties members are having with IT services in the Parliament; and that is frustrating from our point of view, because we cannot resolve them on our own.

Hon KEN TRAVERS: But giving them to DPC is not going to resolve them, though.

The PRESIDENT: I do not know. But at least it will all be in the one spot! Russell might have some extra comment on that.

Mr Bremner: Laptops are an anomaly in as much as all we actually do is physically acquire the devices. We even get them delivered to the Department of the Premier and Cabinet, who then image them and send them out to members, get the old ones back from members, clear them off, and send them back to us so that we can give them back to the leasing company. So the only actual involvement that we have is in that initial selection of the laptops and working with members to select the laptops. So really the only change is going to be that DPC will be doing that. By far and

wide the vast majority of the issues that we get with laptops and members' IT relates to the software on the laptops. Our IT people are not even familiar with the software on the laptops because it is so integral to DPC's systems. So it makes logical sense for DPC to have responsibility for the whole lot. If at some stage in the future, be it the next Parliament or whatever, IT services are handed back to the Parliament to do, it will be all IT services back to the Parliament to do, rather than this current two bob each way, where we are doing a little bit of member IT but really scoring a great deal of grief, for no return at all, because it is outside our control.

Hon PHILIP GARDINER: Hon Liz Behjat has actually asked the question that I was going to ask. I personally do not have the same concern about it being with DPC, I must say. But I do have a concern that there is such limited choice, and that we cannot have the upgrades that are occurring so quickly in the industry. I guess the question really is: if you do anything, can you consider ensuring that we have access to the new technologies that come along? The iPhone seems to be so superior. My wife has got one, and I get abused for not having one, but I say I cannot get one, because I cannot make it compatible with the system. I think you might have said something that suggests that I could make it compatible with our system now. I was not aware of that.

Mr Hunter: It is not compatible with our system, but you can use it within our environment.

Mr Bremner: A member's choice of mobile phone is entirely at the member's discretion. The iPhone can actually connect to our system, via either the 3G plan that members are on, or via the wireless hotspot at Parliament, and through to members' email. It is no different from any other PDA as far as I know.

Hon PHILIP GARDINER: So all of our appointments and everything else can be put in anywhere, from any different phone in the country?

Mr Bremner: I believe there are members doing that as we speak.

Hon LIZ BEHJAT: On my iPhone, I have everything—my calendar and my emails, Everything gets pushed to my iPhone.

Hon PHILIP GARDINER: What about your electorate officers? Do they have the same phone?

Hon LIZ BEHJAT: No.

Hon PHILIP GARDINER: You see, I have got electorate officers and so on keying in my dairy.

Hon LIZ BEHJAT: My electorate officers key my diary into the computer, and that comes to my phone.

Hon PHILIP GARDINER: We need to have ours on the computer as well as on the phone. That is just the detail. I have been to DPC and have seen the infrastructure on those floors. It is enormous. If we are going to have a trade-off in the budget as to whether we want to have a DPC and Parliamentary Services, compared with having more research assistants for our committees, I would go the latter every time.

The PRESIDENT: I think we would agree with that, Phil. The point is not so much the infrastructure that we have got, but the principle. The principle is that a parliamentary member should be serviced by the Parliament and not be subject to the executive in terms of the division of powers. That is the principle.

Hon PHILIP GARDINER: That is fair enough. Okay. I can understand that.

The PRESIDENT: But certainly we are in no position from the Parliament's point of view to take on the servicing of that at the moment. We would need clearly a substantial increase in resourcing to do it.

Hon PHILIP GARDINER: So it is not a physical thing that you are talking about. It is the separation of powers. That is really a documentary kind of thing, is it not?

The PRESIDENT: Well, if you are a member of Parliament, the practicalities of it come down to: should the executive be privy to your private emails or your private information? That is the point.

Hon PHILIP GARDINER: Fair enough. I agree with that.

The PRESIDENT: In principle, it should not. That is my view.

The CHAIR: I think that, historically, because communication was by letter, it never would have come to DPC. But because it is now done electronically, there has to be somewhere where the historic data is backed up. But in principle, I do not think that should be DPC.

The PRESIDENT: I am not suggesting it has or perhaps ever will be, but there is always the potential for it to be abused, or at least for the suspicion that it is being abused.

Hon PHILIP GARDINER: Fair enough.

The CHAIR: I just want to go to a slightly different topic. That is in relation to a report from the Auditor General, report 12, November 2009, "Fourth Public Sector Performance Report 2009". That report deals in part with the management of government purchasing cards. I do not know whether you are familiar with that report. I am just wondering whether the Department of the Legislative Council has responded to that Auditor General's report. Some of the points made in that report are that all government agencies should periodically review their purchasing card policies and procedures to ensure that they reflect good practice and government guidelines; focus should be given to ensuring entertainment or hospitality-related expenditure is properly supported to show that it was for official business purposes; supervisors should certify purchasing card expenditure; and appropriate oversight arrangements should be made for purchases by senior staff, and for dealing with the purchasing card of staff on extended periods of leave. You might need to take this on notice, but we thought that while you were in here we would just check up on this.

The PRESIDENT: Nigel and Russell have got a good handle on that.

Mr Bremner: I might get Dawn to answer that, because she has got responsibility for both departments as far as purchasing practices go.

Mrs Timmerman: Yes. The audit of purchasing cards covered all three parliamentary departments. Although the audit was conducted concurrently, basically the three departments were treated separately, and three separate responses were made to the Auditor General's office. Although there were some findings specifically for the three departments, all those issues have been addressed and appropriate responses given to the Auditor General's office. I presume it would be appropriate to provide that report to the committee if that was requested?

The CHAIR: That would be useful if you could.

Mrs Timmerman: The response that we gave to the Auditor General?

The CHAIR: Yes.

The PRESIDENT: I am happy to do that.

[Supplementary Information No A4.]

Hon KEN TRAVERS: I take it that that report covers all the issues that were raised; that is, what the problems were, and how they have been addressed? Is that correct?

Mrs Timmerman: Yes.

Hon KEN TRAVERS: I am generally interested in the issue in the broader sense of ensuring that entertainment or hospitality-related expenditure is properly supported to show that it was for official business purposes. How does the department manage that, and is it identical across all the different departments, or do each of the different departments deal with it in a different way?

[4.30 pm]

Mrs Timmerman: I can probably only answer on behalf of the Parliamentary Services Department and the Legislative Council, not the Legislative Assembly in this forum. Is that appropriate? Under Treasury's instructions it is a requirement to have incurring and certifying officers. With corporate purchasing cards, the actual cardholder certifies that all purchases were for official purposes and then an appropriate certifying officer will certify those expenses. That obviously depends on the level of the person who is the card holder. That will be either their supervisor or someone higher up, depending on the value of the purchase—if it is over a particular dollar value. Mostly it will be the direct supervisor because the card limits do not exceed the certifying limits of the next level person within the authorisations. There is always a supervisor who will certify the expenditure.

Hon KEN TRAVERS: I would have thought, though, in the Parliament a lot of the hospitality entertainment would be incurred internally as an accounting mechanism rather than externally.

Mrs Timmerman: That would not be shown on a corporate purchasing card then.

Hon KEN TRAVERS: How is that monitored to ensure that it is for business-related purposes?

Mrs Timmerman: Are you referring specifically to the parliamentary refreshment room? Are you talking about internally?

Hon KEN TRAVERS: Yes; any expenditure on hospitality or entertainment services I would be particularly interested in. I know we cannot talk about the Assembly so I might talk about the Council. If we can establish what that is and seek to get the Assembly to make public their own in another place, how they would go about ensuring that any expenditure incurred within the internal accounting mechanisms of the department is authorised and for official businesses.

Mr Bremner: As far as Parliamentary Services is concerned, all departmental expenditure by any of our units for the parliamentary refreshment rooms is all certified by me personally. I have to satisfy myself that it is legitimate.

Hon KEN TRAVERS: If you incur it?

Mr Bremner: The chief finance officer does it, and I provide an explanation if it is required as to what it was for, be it a sitting-night meal through to lunch.

Hon KEN TRAVERS: For the Legislative Council, because I cannot ask about the Assembly?

The PRESIDENT: In the Legislative Council, the Clerk is the authorising officer. Any expenditure that is incurred through my office, for instance, is submitted to the Clerk and Deputy Clerk for their authorisation with the details provided. Any information that is under credit card expenditure goes through Dawn.

Mrs Timmerman: All payments, regardless of the method of payment, are incurred and certified. There are always two signatures. Say for a committee trip, if you talking about —

Hon KEN TRAVERS: No, I am more interested in the internal expenditure I understand the external expenditure but I am more interested in the internal expenditure. I was actually looking at your website a bit earlier, the delegations that you have had through, lots in the South West. The delegations that come through and obviously there would be hospitality put on for those. That would be incurred, I would imagine, against an internal account within the department through the catering area.

Mrs Timmerman: Can I just clarify that: parliamentary refreshment rooms is a separate entity to the Parliamentary Services Department or Legislative Council. Parliamentary refreshment rooms, as you would be aware as a member, have accounts for people who access the services. They issue monthly statements. Exactly the same process happens for the Legislative Council and the Parliamentary Services Department. Those monthly statements are issued. Basically they are incurred and certified against that statement just as it would be if it was an external provider.

The PRESIDENT: In my case if I am hosting, or the Deputy President is hosting on my behalf, a delegation from Haining province or something, who were from China and who were coincidentally going onto the South West because they have a sister city relationship with Bunbury, that is an official expenditure. I am hosting them on behalf of the Parliament of WA. If I have my own private guests, if I have a meeting with them and provide refreshments or a meal, then I pay for it; just like you do as a member, out of my parliamentary refreshment account.

Hon KEN TRAVERS: As I say I am more interested in the system. My interest is elsewhere. I want to be clear about what system is employed. You operate two separate accounts: one for you as the President and one for you as Barry House, member of Parliament.

The PRESIDENT: That is correct.

Hon KEN TRAVERS: When they are incurred by you as Barry House the President, who verifies that that was for business-related purposes? Is it just you or is there someone else who clarifies it?

Mr Lake: The President's executive assistant in the first instance will simply detail out the account. So the account, same as yours, is an itemised account. She will go through and put in the details as to what they relate to, which delegation et cetera, and then incurred and certified by the Deputy Clerk and Clerk respectively from there. If there are any queries that emerge, we pursue them. It does not happen.

The PRESIDENT: Malcolm as the Clerk has asked me a question about one account—I forget which one it was now—who actually were these people? I explained after I figured out who it was.

Hon KEN TRAVERS: Who does it for the Clerk, if the Clerk hosts?

Mr Lake: If the Clerk did it, then it would be the same except his executive assistant would do it. It happens very rarely. The Clerk does not do much entertaining at all. The Clerk might host an occasional lunch meeting or something like that, but if that was the case once again it would be itemised on the refreshment account. The Deputy Clerk and Clerk would sign off on it.

Hon KEN TRAVERS: The department processes members' claims for accommodation; is that correct?

Mrs Timmerman: The finance unit.

The PRESIDENT: The finance unit process those.

Hon KEN TRAVERS: Who does it formally sit under; the Council, the Assembly or Parliamentary Services?

Mrs Timmerman: It is the Legislative Council's funds that pay that. I am the chief finance officer of both PSD and the LC. As CFO for the LC our unit processes those payments on behalf of the Legislative Council.

Hon KEN TRAVERS: Again, what work do you do to ensure that if a member makes a claim that they actually incurred that claim other than they have obviously signed a form? Is that the only verification or do you do any other auditing to ensure they actually spent the night in Perth or in their electorate depending on wherever their home base is?

Mrs Timmerman: It is an interesting question. It was something that has been clarified by the Salaries and Allowances Tribunal in the determination they handed down in August this year in that they amended the determination to say that the certification of the member is sufficient evidence to establish a valid claim, but the members are required to hold on to appropriate evidence that, should they be audited, could substantiate the claim.

Hon KEN TRAVERS: Audited by whom?

Mrs Timmerman: The SAT could initiate an audit, Parliamentary internal audit may initiate an audit or the Office of the Auditor General could initiate an audit.

The PRESIDENT: I can vouch personally that they do that. I had a query from the finance department on one claim I put it in for metropolitan expenses. They had actually picked up there was a duplicated date on me claiming a night's accommodation in Perth. I was flying out somewhere on the same date. They asked me to clarify the duplication. I actually flew out about one o'clock in the morning or something like that. It appeared on both dates, but I was happy to scrap one day of the claim for metropolitan Perth. I assume that other members get queries like that too.

[4.40 pm]

Mrs Timmerman: Certainly we do significant due diligence and have internal controls to ensure that all the details of the claim are correct. Quite a large number of them go back seeking clarification from the member, whether a date is incorrect or there is not supporting documentation or whatever. One of the issues that the internal auditors raised in the last internal review related to this issue. The questions are: what is sufficient evidence; what is the response; and how much evidence would be required to satisfy that question? There is also the question of whether a member's diary is sufficient evidence, and it goes on from there. SAT said that it would rule a line in the sand and that for processing a claim, the certification of the member is sufficient. It is a little like doing your tax return. You do the return, you make a declaration and if you are audited, you need to be able to substantiate that.

Hon KEN TRAVERS: I actually prefer the old system of recognising that the member for a region is likely to have two residences and giving him a flat payment every year and letting him sort it out. That is a far better system. The reason I am asking is that if you put it in place, you have to have an audit system to make sure that it is being done, otherwise it is a nonsense. If you put an audit system in place, what is that audit system costing us to monitor whether or not people are claiming? At least there could be a flat fee of X number of nights. We could work out how many nights Parliament sits every year and give that amount as a flat figure. If people want to claim over and above that, they must demonstrate that they have done more than that. You could even make an allowance for office holders that a minister or the President might be in Perth a little more than a backbencher and could be given extra nights. I know that it is a SAT issue, but —

Mrs Timmerman: That submission was made to SAT in the 2010 review and it chose not to return to that methodology.

Hon KEN TRAVERS: You made the comment that a lot are returned. What percentage are returned because of an error identified in the process?

Mrs Timmerman: I would have to take that on notice. I would not want to put a figure on it.

Mr Hunter: You do not track it though, do you? Is it anecdotal?

Mrs Timmerman: It is anecdotal. We were tracking it for a time.

Hon KEN TRAVERS: If we could get information on the time that you have been tracking it.

[*Supplementary Information No A5.*]

The PRESIDENT: Most members and the finance unit would probably agree with you because it is a hassle that they do not need. However, the Salaries and Allowances Tribunal makes the rules.

Hon KEN TRAVERS: I know they are the rules. It strikes me that to then provide a thing that says the certification of the member is sufficient—unless there is a formal audit and we put in place a random audit process, I do not see how you have improved the accountability. Maybe something we have to take up with SAT is how it sees the accountability mechanisms being improved by this system. If you just said to members, "Here is a flat fee for X number of nights." If a regional member is not visiting his electorate when Parliament is not sitting and the member is staying in Perth the whole time, I would be surprised if the member was re-elected. They will either lose preselection or the election, depending on whether the member is in a safe or a marginal seat. Could

I get an indication of the cost of processing the claims and a rough idea of how many staff are involved and how many hours a month goes into processing those claims?

The PRESIDENT: We could well use that as a basis for a further submission to the Salaries and Allowances Tribunal. Madam Chair, I am aware that Dawn has an appointment.

Hon KEN TRAVERS: I have one last question.

The CHAIR: We were due to finish at 4.30 pm, to be fair to the witnesses.

Hon KEN TRAVERS: The other thing I noticed was that your estimated cash balance as at 30 June was \$39 000.

Mrs Timmerman: Which department?

Hon KEN TRAVERS: The Council.

The CHAIR: Which page are you referring to, Ken?

Hon KEN TRAVERS: Page 47.

Hon LIZ BEHJAT: We are broke!

Hon KEN TRAVERS: It strikes me that that is a very low figure, in terms of an accrual accounting point of view, to be operating on without running the risk on an accrual basis—I understand the difference between cash and accrual—if you have an unexpected expenditure occur in the last month before the end of the financial year, getting down to \$39 000 is a very thin line for margin of error. Also, it ends up with people being almost forced to not incur expenditure, like we saw with the Department of Health, where they artificially manipulated the dates of accrual expenditure to try to avoid that. Is that a problem for the department, and how are we managing it?

Mrs Timmerman: I draw your attention to the position of total equity in the balance sheet where that is deteriorating significantly across the years. That basically indicates that the liabilities of the Legislative Council are increasing without a commensurate increase in assets. Because the Council has very view assets other than cash and receivables, there is no big building asset that would hide that, so that comes out in the equity position.

Hon KEN TRAVERS: Are we trading while we are insolvent?

Mrs Timmerman: We are, essentially. I have had a discussion with Treasury about that issue and they said that there are quite a few departments across government that have a negative equity position, which, strictly speaking, is insolvent. If you look at the current liabilities versus the current assets, there is a big problem. Basically, the situation is that the liabilities—the payables at year end will exceed the balance of cash to pay those payables. That is in terms of what we anticipated for 2009–10. I do not have the figures in front of me and they are not audited yet—the auditors are still working today—but I am fairly confident that the payables will be greater than the cash balance at the year end because without additional funding, we have been able to continue operating this year, but the projection for next year is that the payables will be nearly \$100 000 more than the cash assets. In order to balance the budget when we did the budget papers, that is how we had to present it.

Hon KEN TRAVERS: Are you saying that at the end of the financial year you owed more than you had cash to pay?

Mrs Timmerman: Yes. I do not have the 2009–10 actuals. That is what we were predicting and I am fairly confident that is where we will be.

Hon KEN TRAVERS: Is that not a breach of the Financial Management Act? We have incurred appropriations beyond what Parliament has appropriate our expenditure for.

Hon PHILIP GARDINER: It is current assets and liabilities. I think the total assets need to be taken into account too.

The PRESIDENT: Can Nigel add to that?

Mr Lake: While we are reflecting on that question, it occurred to me that some of this discussion perhaps ties back to a point you made originally about staffing. One of the manifestations of the manning level and working level we have had is staff leave and the incapacity to take leave and what that means to our genuine bottom line. We are building up a lot of liability in terms of leave. That is the sort of area where you can get by for a certain time, but there has got to be a day of reckoning. There must be a time when staff are either off taking leave or walking out the door and cashing in the leave that is due to them, and that day is coming.

I have been thinking about how I can touch on this because I know that we are not talking about the Legislative Assembly, but you asked a question earlier about relative staffing. I will not make a direct comparison, but I can perhaps draw from my experience. When we talk about staffing, it goes beyond simply the people you see sitting around here; there are also what you might categorise as “specialist staffing”. Within that category I would put short-term contract staff that committees like yourselves might want to avail themselves of. For this committee, it could be people with a finance or accounting bent, and also things such as legal advice and other specialist advice. An appropriately funded committee office and department has the capacity to deliver those types of things for committees. The Legislative Council at the moment does not have the capacity to deliver any of that. When we talk staffing, in terms of our staff budget, what you see around you is all we have. We do not have the capacity to deliver much beyond that, whereas other houses that are perhaps more appropriately funded can and do deliver services in those areas.

[4.50 pm]

Hon KEN TRAVERS: I appreciate that. I want to get back to the substantive question. I do not disagree with your points.

Mrs Timmerman: I appreciate your question about the “Treasurer’s Instructions” and the Financial Management Act. If you were to ask whether we were in a situation in which we needed to seek supplementary funding from Treasury for the 2009–10 financial year, the answer is no; we had sufficient cash in the bank to pay the bills that were due at 30 June. On an accrual basis, we had bills that were not due at 30 June but the services had been provided at 30 June. On an accrual basis, we were in a deficit position. In terms of our legal liability at 30 June, we had sufficient cash to pay what was due at that date. If we did not have that, we would have needed to seek supplementary funding.

Hon KEN TRAVERS: Surely it is the other way around. You might not have the cash. What you are funded through the budget is the appropriation on an accrual basis. If you accrued the expenditure, you have exceeded your appropriation that was approved by the Parliament for that 12 months. That is what I am trying to establish.

Mrs Timmerman: In principle, yes, that is correct. This is why I was checking with Treasury whether other departments have a negative equity position, and there are many. When you say it is a breach of the Financial Management Act, there appears to be no consequence for that, and that position has been the case for the Legislative Council for quite a number of years.

Hon KEN TRAVERS: As you say, the cash assets have been running down. Max Trenorden probably sums this up better than me when he says that everyone works on accrual accounting for the first nine months and in the last nine months it comes to cash. That is how the health department worked for a number of years and that is what got it into trouble last year. It is a case of juggling between cash and accrual. The issue about accrual is that you are not supposed to shift the date on which you accrue your expenditure. The date you receive the service is the date it accrues. I am hearing that there is still a degree of latitude and people use that latitude to avoid that at the moment.

Mrs Timmerman: The government introduced the cash management policy that required agencies to draw down their appropriations smoothly across the year. Some departments were not paying their bills in the last two months and then drawing down a significant lump sum in July to pay those bills from the previous year. That was hiding that from a cash process. Now that we have this process that you are supposed to draw down evenly, it makes that more transparent and you just cannot do that as much as was previously happening.

The PRESIDENT: We do not want to create any unnecessary alarm about that situation but it helps to illustrate the point we started off at at the beginning of today's discussions. The Legislative Council has reached a position—a day of reckoning, to use Nigel's phrase—and we have to get some support to get our funding addressed, and we are working hard at that.

The CHAIR: I think you said that that decline started in 1998.

The PRESIDENT: Roughly the past 10 years. Could we take that last question on notice so that no unnecessary alarm bells are rung as a result of this situation?

Hon KEN TRAVERS: So ASIC does not come knocking! We might have to take up the Acting Clerk's offer of specialist advice for the committee.

[*Supplementary Information No A6.*]

Hon LIZ BEHJAT: Are 36 members listed as an asset or a liability?

The CHAIR: It depends which members you are talking about.

Hon KEN TRAVERS: I have one other question but I am happy to put it on notice.

The CHAIR: We might conclude the hearing as a number of members have to go, and we have run a little over time as well. If there are any additional questions, we will forward these questions to you, Mr President, in writing in the next couple of days, together with the transcript of evidence, which includes the questions you have taken on notice. If members have any unasked questions, please submit them to the committee clerk at the close of today's hearing. Responses to these questions will be requested within 10 working days of receipt. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met.

Finally, on behalf of the committee, thank you very much for your attendance this afternoon. It has been most constructive.

The PRESIDENT: Madam Chair, just before you wind up, could I just say that in my year and a bit since I have been President, I have come to really fully appreciate the expertise and the commitment of the staff of Parliament House who service both the Legislative Council and the Parliamentary Services Department. Our Clerk, Malcolm Peacock, Nigel Lake today and through the Parliament Services Department, Russell, Dawn and Rob, are illustrations of the staff commitment and dedication that we get in this place and they make the institution what it is.

The CHAIR: We all agree with that.

Hon KEN TRAVERS: We will throw in our committee staff as well.

The PRESIDENT: I just wanted to put that on the record.

The CHAIR: I will formally close the hearing. Thank you very much.

Hearing concluded at 4.56 pm