



**MEDIA STATEMENT**

# **Tony Simpson** MLA

Opposition Spokesperson for Information  
and Communications Technology

3 Nov. 2006

## **Treasurer doesn't get computers**

The Treasurer doesn't seem to understand the basics of depreciation when it comes to computer technology.

During Question Time on Tuesday the Treasurer responded to a question asked by Paul Andrews, the Member for Southern River, about cost savings made by the Governments procurement reform program.

In his response, the Treasurer stated that "Another good example is the cost of a Pentium III laptop computer. In 2002 that computer cost \$4 213; today the public sector can purchase it for \$1 498, which is a 64 per cent saving. "

However, these claims have come under fire from the Opposition and business community alike. Frank Beverwijk, managing director of Arrow Computers was quoted in the West saying that he has not sold a Pentium III in years and that \$100 would be too much to pay for one.

Opposition Spokesperson for IT and Communications Tony Simpson has criticised the Treasurer for his statement, claiming that the drop in cost was a result of an advance in technology, not in the Governments procurement reforms.

"The Treasurer's claim that the drop in price of Pentium III laptops is due to State Government procurement reforms is absurd," said Mr Simpson.

"This claim flies the face of logic and common sense and anyone who understood how the IT industry works would not have made it."

Mr Simpson followed the Treasurers statement with a question of his own, asked in yesterday's question time.

"I asked the Treasurer whether he actually believed procurement reform was the actual reason for the decrease in cost of now obsolete laptops, and if so, why he was so out of touch with current cost of important office technology.

"He barely even bothered to answer my question, instead going on about how good his procurement reforms are.

"I do not think this was a deliberate attempt not to answer the question. I don't think he understood it.

"Computer technology depreciates at an incredibly fast rate. Business assumes an annual rate of depreciation of 30% for computer equipment."

"The Government claims that the IT industry is a key area of the economy that will help to maintain WA's prosperity beyond the boom.

"If this is the case, maybe they should learn a how the industry works."

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## Opposition Spokesperson for Information and Communications Technology

### PROCUREMENT REFORM PROGRAM

#### **807. Mr P.W. ANDREWS to the Treasurer:**

Can the Treasurer advise how the Carpenter government's procurement reform program is benefiting Western Australian taxpayers?

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#### **Mr E.S. RIPPER replied:**

First of all, I would like to say how good it is to see the member for Southern River back in the house so quickly. We all wish him the best. Secondly, I have been asked by the Premier to acknowledge the year 10 students from Carnarvon Senior High School who are in the public gallery. They are very welcome at Parliament House.

The Carpenter government is serious about getting value for taxpayers' dollars. In 2002 we announced a vigorous procurement reform program and we are currently looking at ways to eliminate waste, achieve better deals for taxpayers and save considerable sums of money, money that will be put into those government services that the community regards as priorities. Very good savings are being achieved. If one considers the prices that we are now paying for certain commonly purchased items, and if one adjusts those prices to reflect inflation - in other words, if one looks at the real prices - one would see that some of the prices that are being paid are under half of what was being paid in 2002. For example, in 2002 agencies paid around \$6.29 for a ream of standard copy paper. Today, under current common-use contracting arrangements, agencies can buy a ream for as little as \$3.68, which is a 41 per cent saving. In 2002 agencies were paying \$159.91 for a toner cartridge. Today they pay \$42.50, which is a 73 per cent saving. Another good example is the cost of a Pentium III laptop computer. In 2002 that computer cost \$4 213; today the public sector can purchase it for \$1 498, which is a 64 per cent saving.

**Mr T. Buswell** interjected.

**Mr E.S. RIPPER:** The Deputy Leader of the Opposition is right on cue! He is complaining and whining about other matters and is not offering any support for a savings and reform program that will deliver \$120 million a year to taxpayers. That money will be able to be spent on other things. It is about time that the Deputy Leader of the Opposition publicly supported this initiative. The Deputy Leader of the Opposition seems to be more interested in strange meetings in cars in car parks outside this building. What was that political love-fest about? Was it a last-ditch attempt by Mr Crichton-Browne to prevent the Deputy Leader of the Opposition's betrayal of the member for Kalgoorlie? Perhaps it was the mutual signing of the member for Kalgoorlie's death warrant. The whole episode has given me considerable trouble over the past 24 hours. Indeed, I was reminded of the Tina Turner song *Steamy Windows*, and that led to images that I have been trying to erase from my mind ever since! I wish that the Deputy Leader of the Opposition would embark on real policy initiatives and support our procurement reform program.



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### LAPTOP COMPUTERS - PRICES

**808. Mr A.J. SIMPSON to the Treasurer:**

I take this opportunity to thank Doug McLean, one of the parliamentary education officers, who is leaving tomorrow, for his support for schools.

On Tuesday in this house the Treasurer said that as a result of the government's procurement reform package, the public sector currently pays \$1 498 for Pentium III laptop computers, down from \$4 213 in 2002.

- (1) Is it not the case that Pentium III laptop computers are obsolete and are no longer readily available from Western Australian retail computer suppliers?
- (2) How can the Treasurer claim that procurement reforms are the reason for the reduction in price when the reality is that advances in technology and manufacturing are the real reasons that the price of laptops has fallen?
- (3) Why is the Treasurer so out of touch with the current cost of office technology?

**Mr E.S. RIPPER replied:**

Mr Speaker -

Several members interjected.

**The SPEAKER:** Order, members!

Several members interjected.

**The SPEAKER:** Order, members! The minister has been standing for about a minute and, due to the number of interjections, he has not been able to utter one word. Members should give him the chance to respond.

Several members interjected.

**The SPEAKER:** I call the members for Dawesville and Carine to order.

**Mr E.S. RIPPER:** At least I am getting some exercise, although my knees are becoming somewhat weary.

An opposition member interjected.

**Mr E.S. RIPPER:** I can understand why.

**Mrs M.H. Roberts:** It's not from praying, I hear!

**Mr E.S. RIPPER:** That is true.

(1)-(3) I think it is worth thinking about exactly what public servants need for certain types of jobs. I do not think that a person who, for example, does only word-processing activities and sends e-mails needs the absolute latest in computer technology. Procurement reform includes buying what is necessary for the task, not providing for wasteful expenditure of taxpayers' money on things that are not required.

Several members interjected.

**The SPEAKER:** I call the member for Cottesloe to order.

**Mr A.J. Simpson** interjected.

**The SPEAKER:** Perhaps the member for Serpentine-Jarrahdale is blind and cannot see me on my feet. I call him to order for the first time.



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**Mr E.S. RIPPER:** We certainly have a Commodore 64 opposition in this place! There are, of course, technological advancements in telecommunications and information technology, and long-term price trends in both industries are producing better value for all purchasers. Although I do not have the precise figures in front of me, I think I was able to cite in those areas a better than 60 per cent saving. Members cannot tell me that that better than 60 per cent saving is entirely due to technological changes in the industry. Once again the opposition is refusing to back a very important public sector reform project. The government will save for taxpayers \$450 million-plus over four years, which will be put back into the key service areas of health, education, law and order, disability services, child protection and environmental protection, which the community regards as priorities. What do we hear from the opposition? Despite numerous invitations from me to support procurement reform, I have never heard a declaration from the opposition that it supports this very important reform program.

**Mr M.W. Trenorden:** I don't.

**Mr E.S. RIPPER:** Okay; the member for Avon does not. I do not know that the member for Avon has any influence on the opposition anymore, as much as I regret that. Members of the opposition in this place should not talk about expense growth and complain about what they regard as too much expenditure in the public service. They complain about public servants. I think they are actually against the public service. If they are concerned about those issues, they need to get behind some of the projects and reforms that will actually save money. Procurement reform is one of those projects.