

ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Paper

Resumed from 1 June on the following motion moved by Hon Ljiljana Ravlich (Minister for Education and Training) -

That pursuant to standing order 49(1)(c), the Council take note of tabled paper 1519 (Consolidated Fund Estimates 2006-07), laid upon the table of the house on 11 May 2006.

HON BARRY HOUSE (South West) [3.06 pm]: I am pleased to make a contribution to this debate, which notes the tabled papers containing the 2006-07 budget.

At the outset, we need to note that the 2006-07 budget is being delivered against the backdrop of the best economic times this state has ever seen. I think we would all agree that the past few years - probably four or five years - have been the most sustained period of economic prosperity that the state of Western Australia has ever seen.

Hon Ken Travers: Thanks for your congratulations.

Hon BARRY HOUSE: The die was well and truly cast before the member's party came to government.

The only period in our history in any way comparable was the 1890s gold rush period. This was a decade of economic prosperity in a fledgling state, generated largely from the heady days of the gold rushes around Kalgoorlie and Coolgardie. We can look around now and see the evidence of what the state did with those receipts. The gold rush established the wheatbelt industry as one result. It also established the Kalgoorlie water pipeline, which created an enormous amount of associated economic activity. We can also note that that period of prosperity was used to develop many of the state's premier public buildings. The building we stand in today - at least the first part of it - was built in 1904. The Supreme Court and His Majesty's Theatre are other examples of buildings that were generated out of that period of prosperity. In that sense, the theme of my speech is that this is a golden period in the state's history that should not be squandered, and I hope it will not be squandered.

We must acknowledge, and if the Labor members were to stand with their hand on their heart they will agree, that these economic times have made this government a very lucky government. It has been an extremely lucky government because it has had enormous financial windfalls that have made government relatively easy. It has not had to make many tough financial decisions. Every time a problem rears its head, it has been able to throw money at it. That is an enormous luxury for any government. In that sense, this Labor government and the state as a whole have been lucky. The coffers are full to overflowing. Members know that enormous receipts into the state's coffers have come from the resources boom and, principally, the emergence of China as a huge economic player in our economy to the tune that resources royalties in this budget will tally up to about \$1.9 billion, which is way ahead of forecasts, even those of a few years ago. I guess that has little to do with the Labor government; it has been an accident of history. For example, the 2008 Olympics were awarded to Beijing, and a whole host of factors surrounding that economy have generated economic activity in this state. Let us not forget the groundwork that was laid by the Court government. Richard Court, as the then premier, opened the diplomatic doors and, to his credit, that was continued by Hon Geoff Gallop when he was Premier. Many of the doors were opened by the previous government and the result is that the receipts have rolled in.

Hon Ken Travers: That goes back to before the Court government.

Hon BARRY HOUSE: Hon Ken Travers will probably go back to Gough Whitlam.

Hon Ken Travers: If you want to talk about the relationship with China, you should talk about Gough Whitlam. That is a very good point.

Hon BARRY HOUSE: As far as Australia and China are concerned, Gough Whitlam and Richard Nixon, on the international stage, opened the diplomatic doors. It is an area of shared responsibility and when the accolades come, let us share them.

Another major area of revenue has been the goods and services tax moneys that have flowed in during the Labor Party's term in government. It is rather ironic, because if we read the debates in this house and particularly the federal Parliament, the Labor Party was vehemently opposed to the GST. It went to several elections opposing the GST until it realised how much money it would generate for state Labor governments and that they would be in all sorts of difficulties without such a flow of money. To that end, we must give credit to the way the GST was structured nationally. I recall debates in the Liberal Party forums at the time the introduction of the GST was proposed that the federal government could not take charge of all the growth taxes in Australia and strip all state governments of any growth taxes. Therefore, the structuring of the GST so that the revenues flowed back to the states was a sensible way to go. It gave the states an option to access growth revenues in Australia.

The third avenue of revenue is, of course, property taxes. This is an area that is becoming hugely unpopular. It has created huge windfalls for this state Labor government, which has provided very little relief; in fact, its lack of action is penalising many innocent people. We have heard examples in this place of the impact of land tax on people who are not speculators or investors, but who now, simply because property prices have gone through the roof, have been hit very hard with land taxes. These people are not in the business of being speculators or developers. The enormous revenue raised from stamp duty because of property prices has made it almost impossible for first home buyers to get into the market.

Hon Ken Travers: We are handing out more first home buyers grants every year.

Hon BARRY HOUSE: It is a buoyant economy and that is the only thing that is creating that situation. Many young people have access to an excellent labour market that is generating good wages and salaries. For that reason, they are probably taking big mortgages and getting into the market. If and when there is a turnaround, a lot of people who are very heavily geared will find they are in a bit of trouble. I hope that does not happen for their sake. Members must admit that with the average Perth property price at -

Hon Robyn McSweeney: It is now \$350 000.

Hon BARRY HOUSE: I understand that Hon Robyn McSweeney has just bought a property, and it was probably four times that amount.

Hon Robyn McSweeney: I did not.

Hon BARRY HOUSE: An average property price of \$350 000 is a significant price for a first home buyer to pay. It is not like me to be cynical, but I expect that we will see some relief in this area in the next couple of budgets leading up to the next election. I will be very surprised if the government does not take its foot off the throat of the property owners in Western Australia and reduce some of the property tax rates that are producing enormous windfalls. The only real solution is to introduce indexing to property values. At some stage a government will have to address that issue so that innocent parties are not inadvertently caught up in the inflationary cycle. It is inflation in a sense, but not in a true sense. We are not seeing price rises in normal commodities or a hike in interest rates, but there is inflation in property prices. A government will at some time bite the bullet and introduce a form of indexing the rates of the property taxes to make it fairer and more reasonable.

I cringe to think what would have happened if the Labor government's proposal for a premium property tax had gone ahead. It is worth reflecting upon that. It was only four years ago that that proposal was in a budget that was presented to this Parliament. The proposal was subsequently withdrawn because of the community outrage. At that time, the threshold was \$1 million properties. If that proposal had gone ahead, many people who are not investors or speculators would have been caught up in that cycle and now would be paying a very unfair tax.

This state is experiencing good times and we should not knock that situation. I am very pleased that this state is experiencing good times; however, I am concerned that the state will not get much out of it. Only one major infrastructure project is under way; that is, the Mandurah railway. Members opposite should not forget that that was started by the Court government.

Hon Ken Travers: That government never laid a single centimetre of track in its time in government.

Hon BARRY HOUSE: Hon Ken Travers, how about -

Hon Ken Travers: I've seen your web site. You even claim the northern suburbs line as a Liberal initiative. You lot will claim anything!

Hon BARRY HOUSE: Two tunnels that were part of that infrastructure project and the widening of the freeway were done -

Hon Ken Travers: You never laid a centimetre of track.

Hon BARRY HOUSE: The tracks cannot be laid until all the preparatory work is done. Therefore, the Labor government would not have been able -

Hon Ken Travers interjected.

The PRESIDENT: Order! I know that Hon Ken Travers is desperate to get the call, but Hon Barry House has the call at the moment.

Hon George Cash: What about all the north west track and all the iron ore track that we laid?

Hon Ken Travers: How much of that was put in by the government? You were still fiddling around with Oakajee when we built the Geraldton port.

The PRESIDENT: Order, members! I have said that I am very interested in giving Hon Ken Travers the call in due course, but, unfortunately, I cannot give the call to Hon George Cash again, unless he seeks leave of the house.

Hon BARRY HOUSE: The Mandurah railway is the only major infrastructure project under way in Western Australia at the moment. Members should look around.

Hon Ken Travers: You are kidding, aren't you?

Hon BARRY HOUSE: No, I am not kidding.

Hon Ken Travers: Have you not read the budget about what you are getting in the south west?

Hon BARRY HOUSE: No, hang on. Hon Ken Travers says that I should read the budget. I will come to that. That is a very important interjection, Mr President, because it indicates what this is all about. If we read the papers, the announcements, the reports and the reviews, we see that marvellous things will happen. However, people should look around at what is happening in WA. They could not help but notice what is going on with the freeway. For those of us who use it all the time, it has been a pain in the neck for four years. Let us hope that the one major infrastructure project - that is, the troubled Mandurah railway, as I have heard it referred to in this chamber - is not the only project. Let us hope that is not the end of it. We have heard much about other matters, as the interjector indicated. Let us take, for example, health. We have heard a lot about what will happen in health, stemming from the Reid report. We have heard repeated announcements about new metropolitan hospitals, stemming from the Reid report. Meanwhile, what has happened to the service delivery? When the former Premier came to power in 2001, he said that the government would fix the health system. Meanwhile, elective surgery lists and waiting lists grow longer. There are cancellations of elective surgery, and there are delays. Ambulance bypasses are worse now than they have ever been. The emergency departments at public hospitals are under more pressure and stress than they have ever been. I do not think the government can claim very much progress in delivering health services. There have been announcements about new hospital infrastructure. Yes, there are marvellous ideas, marvellous plans and marvellous concepts, but there is not much action. Not many bricks have been laid. Hopefully, for the state's sake, there will be some action in that regard very soon.

I cannot mention the Department of Health and the proposals for infrastructure changes in health, and new hospitals, without mentioning that this is against the backdrop of the administration in health getting more bloated than it has ever been. Service delivery has been squeezed more at the pointy end, whereby patient care seems to have become a lesser priority for the bean counters and the administrators in health than some of the other issues. Patients have been forced out of hospital beds, so that even the chronically ill do not qualify for a hospital bed. This is a rather callous attitude that has been put to me by a former member of this Parliament, who has been incensed by it, quite frankly, because he suffers from emphysema and other related illnesses as a result of passive smoking; they have not been caused directly by smoking. I suppose one could make half an argument that smokers should not be given the highest priority for hospital beds. However, to virtually lock all those people out of access to a hospital bed is a pretty callous attitude. Worse still, they have been tagged as the frequent flyers in the hospital system; in other words, the freeloaders in the hospital system. That has not been received at all well by some people whom I know and who have chronic respiratory illnesses. They feel very cheated by the system. I can assure members that they are not getting decent, fair access to the health care and the hospital care that they need.

I will bring the debate closer to home to my electorate in the south west area. We know that about a year ago the health management in the south west changed. A more or less stand-alone, semi-autonomous South West Area Health Service operated the health services in that area. It was a unique model in Western Australia. It was disbanded about a year ago and brought under the general umbrella of the WA Country Health Service. I preferred the previous model, which was semi-autonomous. However, I am the first to acknowledge that it failed because of appalling people management. The appalling people management skills of that service did not do it any justice at all, and resulted, finally, in the service being amalgamated and brought under the umbrella of the WA Country Health Service. It disappeared almost without a whimper locally, which is a pity. However, it is understandable, because the previous regime was very unpopular and very much disliked because of its lack of people skills and its brutal style of management, which upset just about everybody who came into contact with the executive of the former South West Area Health Service. The current management, which is headed by Ian Smith, has much better people management skills. Most of the issues in the south west have been settled by the new area managers because they are better people managers; that is all.

I am not sure whether the service delivery has improved very much. I think some of the same issues still exist. However, the new people are certainly streets ahead of the previous regime in smoothing the waters and delivering better people management. They perform much better in that respect, but it has come at the cost of

more centralisation. Only time will tell whether it is a better model, because the models were compared under different circumstances. It was like trying to compare apples and oranges. They were totally different beings.

In passing, it is disturbing to hear reports floating around that millions of dollars are being spent on refurbishing information technology offices in trendy Subiaco to house a section of the Department of Health. Rumour has it that many of the previous South West Area Health Service executives have been added to the work force of that section at highly inflated salaries and in excellent working conditions, compared with that of doctors and nurses at the forefront of health delivery in Western Australia in hospitals and other services. That is an area on which I believe the government has left itself open to criticism, and it is an area that the Minister for Health, if he is wise, will take a very good look at. The public cannot help noticing that the extravagances being indulged in by people involved in those areas of health administration, which swallow up enormous amounts of the budget, have caused those people to remove themselves from day-to-day service delivery.

While I am talking about infrastructure, one piece of infrastructure that I hope gets off the ground is the new sports stadium in Western Australia. There has been an ongoing argument on this subject for years and regrettably it has still not been resolved. I guess I have taken a personal interest because I have an interest in sport. In recent days, I have been encouraged to believe that it will be resolved by the report of the Langoulant task force and the response by the government to that report. It is encouraging to hear that the task force has put forward a proposal that has considered all the factors relating to the construction of this stadium and has come up with some recommendations to which the government has responded positively. It seems to me and to other good commentators around the place, including Wally Foreman, that the report has got the general directions and fundamentals pretty right; that is, Western Australia needs a multipurpose stadium that will hold 60 000 patrons with an ability to increase the capacity in, say, 20 years. That stadium could attract events such as the World Cup. I say good luck to the government for putting its foot forward in that regard. I heard a report the other day that suggested that the government, with the federal government and other state governments, would put in a bid for the World Cup of soccer to be held in Australia in 2014 or 2018. Provided members did not fall asleep in the first 86 minutes of the game last night between Australia and Japan, they would have found that it was pretty exciting! If Western Australia could be part of an event on that scale, it would be tremendous for the state. However, we will never be part of anything like that unless we have a stadium that can hold 60 000 people or more. That is only one event. The state could also bid for other events, including the World Championships in Athletics or the World University Games.

Hon Kim Chance: Doesn't Wally Foreman want us to build the new stadium at Bruce Rock?

Hon BARRY HOUSE: Wally is a very rational person. I think he would love to have it built at Bruce Rock, but I do not think he is quite that idealistic.

The other important ingredient the task force seems to have got right is that it has recommended the stadium not be owned or run by one sport. It will cater for major events of all major sports, as well as other events. It could also be used by the entertainment industry. In WA we have a rather unique situation in that the Western Australian Cricket Association owns the WACA ground and that Subiaco Oval is owned by the football association. I was a very young member of this place when the legislation giving the football association the rights to Subiaco Oval passed through this house. That is great for those sports and it enabled them to stabilise their operations, I guess. However, it has not provided the best opportunities for the state to move on. I think we have realised that we need to move on from that situation and, as good as Subiaco Oval is as a venue for football and as good as the WACA is as a venue for cricket, we need the extra dimension to cater for other major events. I hope the government takes the bit between its teeth and allocates some of its surplus revenue to providing a lasting legacy for the state.

Hon Ken Travers: Where do you reckon we should build it?

Hon BARRY HOUSE: I do not know. I am relying on media reports. I have not seen the report but the media reports and the commentaries that I have heard and read indicate that the greenfields site at East Perth is a pretty good site. If we weigh up all the possibilities associated with that site and if we look into the future to see how that site can grow in concert with the existing development at East Perth, the proposed development across the river at Belmont Park Racecourse, Northbridge, which is reasonably close by, and the proposed cultural centre and museum, we see that it is an excellent site. Its proximity to the river is also an excellent reason for putting it at East Perth. I am sure many members have been to other state capital cities and have seen the outstanding sporting and convention and exhibition facilities in those cities. Melbourne certainly has excellent facilities. Adelaide has excellent facilities on a tiny river, the Torrens, which we would call a puddle. The Torrens River is flanked by magnificent facilities. I have not been to Brisbane but I am told that the facilities there are excellent and, of course, Sydney leads the way in many ways with its facilities. I think that, if we are dinkum, we can set a positive direction for resolving this issue by putting in some real dollars to provide for the construction of this facility.

I got off the track a little, but I am trying to tell this government that we will miss out on the major opportunities that are presenting themselves to advance this state in the very best of economic times unless these reports, reviews, media releases and announcements are put into real action. In the south west - in the electorate that I know best - there are plenty of opportunities on a small scale for the government to do some very positive things, but some of those opportunities have been missed. The infill sewerage program is a classic example. It was established by the Court government and was a major program. I know that it is not a very nice subject, but it is essential that it be discussed in this house. It is probably the most important environmental issue around for us to address. Regrettably, that program has slowed and almost stalled in many places. The recent projections for the infill sewerage program indicated that some communities might be in contention to receive the program in 2018. That is disappointing to say the least -

Hon Ken Travers: Do you reckon that we should cancel the new Busselton hospital and do infill sewerage instead?

Hon BARRY HOUSE: No.

Hon Robyn McSweeney: You should do both.

Hon BARRY HOUSE: Yes, we need to do both; a good idea. Hon Ken Travers should listen to a member who has some clues about what is going on down there. It is insulting to tell people who thought that areas of their towns would be seweraged by 2010 that those areas might be done in 2018. That is a golden opportunity missed by the government. Last week Liberal Party members were out in force in and around Bunbury. A meeting was held with the surrounding shires and infill sewerage was the major area of concern for those shires. It has been of concern for years that land availability restrictions in many small rural communities prevent infrastructure such as infill sewerage, power connections and water connections from being put in place. That is a major issue. I hope the government does not let it slide any further. The government has already let it slide to a point that has been very disappointing and insulting to some communities. The government should pick it up again and deliver it.

We have discussed roads at great length in this place over the years. However, in a debate like this I cannot help but mention some roads that are in urgent need of attention. The Peel deviation is a major project that needs to start to happen. Some signs have been put up indicating that something will be happening with the Peel deviation. That is part of the government's grand plan: we first get about five announcements about a project, and we then get a sign saying that it will be happening in 2007. That is then crossed out and 2008 appears, and that is then crossed out and it becomes 2009. Finally, about four years after everybody anticipated the project would start to happen, some dirt is moved and it actually starts to happen.

Hon Kim Chance: We then have to start opening it a few times, because if it is worth opening once, it is worth opening at least 14 times!

Hon BARRY HOUSE: Yes. We have to open every section of it, of course. That is right - put up a plaque and have a party at every section!

Hon Kim Chance: That is part of the fun!

Hon BARRY HOUSE: Yes! That is very important, too!

Hon Ken Travers: The people of the northern suburbs gave up on waiting for you guys to build Greenwood station! The signs went up year after year after year, until they elected a Labor government to get it done!

Hon BARRY HOUSE: We can live with ancient history if Hon Ken Travers likes.

Hon Ken Travers: Where are we behind with the times?

Hon BARRY HOUSE: The government is behind the times on a lot of things. I will give the member a couple of examples from the south west. The combined shires of Bunbury -

Hon Ken Travers: What signs are you talking about? Tell us about the signs! Where are they?

Hon BARRY HOUSE: The member does not go south very often, does he?

Hon Ken Travers: I do.

Hon BARRY HOUSE: Let us move on. A proposal for a Bunbury outer ring-road has been on the books for at least the past 30 years. I do not expect Hon Ken Travers to know anything about this, but hopefully some of the other government members will. However, it has disappeared off Main Roads' radar. It is not even listed as one of its 30-year priorities. This is a vital piece of infrastructure for the growing metropolis of Bunbury.

Hon Ken Travers: Where is the sign saying that is coming?

Hon BARRY HOUSE: There is a sign at the end of the freeway. Hon Ken Travers should drive down there occasionally and have a look.

Hon Ken Travers: Saying the Bunbury ring-road is coming?

Hon BARRY HOUSE: No, the Perth-Bunbury highway. I call it the Peel deviation. The member can call it a ring-road. He can call it whatever he likes. We just want that road. Within the south west and the growing metropolis of Bunbury, the Bunbury outer ring-road is the next important piece of road infrastructure that we need. Bottlenecks are already occurring in that area with general traffic.

Hon Adele Farina interjected.

Hon BARRY HOUSE: Yes, let us get that done. However, there is no reason that we cannot start on the other one as well. Another important road is, of course, the service corridor into the port. The parliamentary secretary would know about that road. The road has been needed for a long time too, but it is now absolutely critical that it be built, because the truck movements into the port of Bunbury are creating enormous congestion at the Eelup roundabout as people go into Bunbury. That intersection already has the highest accident rate in the south west. That will become even worse with the increased truck movements, particularly by the log trucks, into the port.

Hon Adele Farina: An amount of \$19.5 million has been committed during this term of government to complete stage 1 of that project.

Hon BARRY HOUSE: We have seen the figures. They are marvellous. I am saying we are now at about stage 5 of the continuum that I was talking about a while ago. We need to get to about stage 8 or 9 so that there is a bit of action. I would love to go to a couple of opening ceremonies and see a couple of ribbons cut. However, we will have to wait a while for that.

I will not go through all the roads, but they include South Western Highway, Albany Highway and Muirs Highway. I again want to raise the Margaret River perimeter road, because I have promised people in Margaret River, which is where my office is located, that I will use every opportunity I have to raise that issue. Members may be aware that the estimated cost of that perimeter road to the east of Margaret River is \$18 million. The road has the unanimous support of the local community. The local council is negotiating with three major landholders along that route who are prepared to chip in about one-third of the cost of that road. That is a pretty generous offer, because it will reduce the state's allocation to that road by a significant amount, if only Main Roads was willing to get off its bike and include it in its five-year program. The locals would love to see that happen.

While I am talking about the Margaret River perimeter road, just yesterday I received in my office a postcard from Germany. It is from someone called Rainer Erler. I hope he was in Kaiserslautern last night to watch Australia play in the World Cup. The postcard has a picture of a lovely little village -

Hon Ljiljanna Ravlich: Do you know him?

Hon BARRY HOUSE: I do not think I know him.

Hon Ljiljanna Ravlich: So why did he send you a postcard?

Hon BARRY HOUSE: I do not know.

Hon George Cash: He was trying to be friendly!

Hon BARRY HOUSE: Yes! I am sure the minister does not know everyone who has contacted her about OBE issues over the past couple of years. I am sure a lot of people have contacted her.

Hon Ljiljanna Ravlich: Mr Erler is a long way from home to be looking for you!

Hon BARRY HOUSE: He actually lives in Sunset Hill, Greenmount, Perth. His postal address is Midland.

Several members interjected.

The PRESIDENT: Order, members! Hon Barry House is about to tell us about this postcard. I want to hear what is on the postcard.

Hon BARRY HOUSE: I will show you the picture, Mr President, if you like. It says -

Dear Barry!

This was the most frequently used transit road in Upper Bavaria until the Lord Major said stop! And the town created a bypass. Now the business for shops, alfresco cafes and restaurants have increased dramatically by 500%!

When are you saying stop to all kind of traffic in your beautiful town?

Kind regards Rainer Erler.

Hon Ken Travers: Do you know, Hon Barry House, whether that ring-road in Germany is a toll road?

Hon BARRY HOUSE: I do not know. I am not sure. The member can look at the postcard. If Hon Ken Travers was able to read the address of the town that is pictured on the postcard, he would be lucky.

Hon Ken Travers: Table the postcard and we will see whether it is a toll road. There are a lot of toll roads in Germany.

Hon BARRY HOUSE: I will table the postcard if the member likes, and he can have a look. I am saying that ordinary people in the street are taking notice of these things. Obviously Mr Erler has visited Margaret River at some stage. Obviously he has also visited a place in Germany. He is keen and astute enough to observe that Margaret River is a beautiful town that is slowly becoming strangled by the traffic through the main street, particularly the heavy traffic, and that is creating enormous safety and amenity problems. That is a pretty clear and simple point. The postcard demonstrates that very clearly.

Another issue in the south west area is the need for boating facilities. I know some members who have an interest in this area are keen to see some progress on this matter. The south west has magnificent waterways, particularly in and around Geographe Bay.

Hon Ken Travers interjected.

Hon BARRY HOUSE: I know that I should not respond to interjections, Mr President, but the member for North Metropolitan Region is probably very content with the boating facilities that are available at Hillarys Marina. They are very nice. However, what about the people in the remainder of the state? Do they not qualify for similar facilities? The fact is that there are very good waterways, particularly around Geographe Bay, that extend along the west coast to Flinders Bay in Augusta. There is magnificent scope for better facilities.

Hon Ken Travers: The metropolitan ones are not subsidised like the country ones; do not get on that horse. The ones that you get are all subsidised.

Hon BARRY HOUSE: That is such nonsense that I have forgotten what I was talking about! Oh yes, boating facilities. We have a very sophisticated international tourism industry centred around the south west. We have international brand names such as Margaret River. A person can flag Margaret River and virtually anyone anywhere in the world knows the area being talked about. It does not matter whether a person is selling wine, cheese or boating facilities. There are good boating facilities around the Mandurah marina and there are some improving boating facilities around Bunbury, particularly Koombana Bay. However, there is still a long way to go. There are improving and emerging boating facilities at port Geographe, east of Busselton. After that, there is nothing. There has been a preliminary study into a marina at Augusta. The government has allocated \$10 000 to the Shire of Augusta-Margaret River to develop a planning process for a boating facility at Flat Rock. If we are dinkum, we should be planning well into the future and be talking about keeping the mouth of the Blackwood River open permanently at Augusta and creating a facility around that. I acknowledge that that is very expensive. That is probably well into the future. However, a facility of some description is needed. Quite frankly, it is an embarrassment that we have a very sophisticated international tourism industry but whale-watch vessels operating out of Augusta cannot get over the sandbar. The boats are damaged every time they go out. At Quindalup people have to roll up their trousers and take off their shoes and wade through water just to get on a boat because there are no facilities. Before the member interjects, I mention that the government has allocated \$20 000 for improvements to the timber jetty at Quindalup. Hopefully, that will provide some sort of facility for a boat to pull up alongside and for people to board it without having to swim. That will be a slight improvement. On that part of the coastline there is virtually nothing. There has been talk about harbours and marinas at Point Picquet near Eagle Bay. There has been talk about a marina at Curtis Bay near Dunsborough. An enormous number of recreational vessels use the anchorage every summer at Quindalup. There is a very active, effective and committed sea search and rescue group that operates under very poor conditions around Quindalup. There is a yacht club at Dunsborough that operates off the beach. I will not say that it has poor facilities, because it has none. An increasing number of recreational vessels, tourism vessels and commercial vessels use that coastline. I am making a plea for the government to take this area more seriously concerning boating facilities. The government needs to look at medium-term and long-term plans that will cater for some of the needs. Some members know the boat ramp at Dunsborough very well. It is very poor; it is very ordinary. There are some facilities on the west coast that may be possibilities in the future. We should not dismiss them. I am referring to Kilcarnup at Margaret River, Gracetown and, perhaps, Canal Rocks. They are possibilities for future developments that we should be thinking about now. I predict that somewhere down the track we may well see a facility developed around Point Picquet near Eagle Bay. There was an enormous outcry against that when it was first proposed about 20 years ago. I suspect that many more people use the water now and they must realise that there must be a facility somewhere. The best site along the soft coast is the natural site, which is the mouth of Toby Inlet. There is scope behind that for a canal development. That would make an outstanding development

at some time. Of course, all sorts of issues have to be worked through. It would be nice to think that the government is taking it seriously and that we might see some action and response at some stage.

The summary of all this is that, if the government's term finished today - which I know it will not - and if we drew a line under where the government is today, we could see that it is only fully committed to one major infrastructure project in Western Australia. That is disappointing. Other than that, we have a pile of reports, reviews, announcements and promises about other projects, but no action.

In the remaining minutes I have left I will quickly talk about the new portfolio that I have been allocated; that is, science, innovation and biotechnology. I was pleased to be allocated the portfolio, because I have always been keen to see a scientific approach adopted to issues in this place. We might have achieved better outcomes in the past if a more scientific approach had been taken on some issues. One example is the logging debate. The state would have had a better outcome if the government had been prepared to look more seriously at the science of the issue rather than at the emotion of the issue. The country is embracing the nuclear debate. We should have a very close look at the science of the issue as opposed to the emotion of the issue. We will get the best outcome if we stay true to scientific principles.

I am on a very steep learning curve with this portfolio.

Hon Ljiljanna Ravlich: You just got used to education and they shifted you.

Hon BARRY HOUSE: I think my predictions of a year or so ago were more on the button than where the minister is at the moment.

Hon Ljiljanna Ravlich: I am just waiting for the fourth person from your side to take on education.

Hon Norman Moore: Everybody is waiting for the Premier to sack the minister.

Hon BARRY HOUSE: My background in science is limited. However, I enrolled in science at the University of Western Australia when I first attended that university. I dropped out after about three months because of factors, such as the transition of living away from home for the first time and discovering that Steve's pub sold a good beer and that there were good parties around the place! That militated against my taking science too seriously. I started the next year studying economics. That does not mean to say that I do not hold scientific principles very high. The science portfolio is very broad. It goes across government generally and it is hard to pin down to one particular department. It encompasses a huge range of issues and demands. There is a problem of what activities and resources we should focus on. It seems to me that the government is also having trouble in that respect; it is not just me as a relative newcomer to the portfolio. From what I have been able to establish so far in talking to a range of people looking at where the portfolio is at, the government is also having trouble pinning down those things. Much of it is new in the past five years anyway. I can understand some of the emerging ways of tackling these issues, but I suspect that the community, businesses, the various industries and, in particular, the government are still finding their way. The community looks to government for some leadership, and that is what should be provided. I do not want to criticise any particular initiatives at this stage and, indeed, I am not in a position to do so.

Many exciting and innovative things are happening to change the face of the world in which we live. Through Premiers Gallop and Carpenter, the government has made encouraging statements on this issue and has made some encouraging allocations of resources. For the benefit of members, if they are interested, I will make a few of my own observations based on my research so far and discussions with some sections of industry. Firstly, the budget papers are a little misleading. They do not contain very much detail. They have been written more as a product of government spin doctors than to provide any detail. Secondly, the government's focus on the sustainability of this sector is a little astray. There seems to be a premature move to shift the focus in government away from our strengths, which are in agriculture and mining, and into new and emerging technologies. Of course, we will need resources and leadership in both areas, but we must underline and build on our strengths. Associated with that was the resignation of Dr Bruce Hobbs, Western Australia's Chief Scientist. He appeared to resign rather hurriedly when the new Minister for Science and Innovation took over, with a new focus on the whole area. There appears to be a significantly different point of view on how things are now approached under this minister and this government.

The other point I will make is that government policy and processes in general, following the allocation of funds, have not been established or thought through. There is an allocation of \$72 million to this area over four years. This allocation has been questioned in several quarters, including during the estimates committee hearings in the other place, and by the Chamber of Commerce and Industry of Western Australia. The money is fine, but where is it actually allocated? What is the process of allocation? There is a real danger, I believe, that the government will get into a situation in which it does not have the process established, and it will end up trying to pick winners, which is not good policy and will not lead to an effective process for the expenditure of that money. The rhetoric is okay; it is important to talk up this new era, and it will be important for the state. It will be very

important in value adding a whole range of new industries in Western Australia in which, historically, we have not been as successful as I am sure the pioneers in the mining and resources boom 30 or 40 years ago had hoped we would have been. There is still scope for that, and we should not ignore it. Our major industries are agriculture and mining, and there needs to be a strong focus on the science and technology associated with those industries, which will produce an enormous dividend for the state down the track.

I look forward to many interesting times in this shadow portfolio, and to watching the government's allocation of resources, keeping the government accountable and honest in that respect, while devising a policy that will see the opposition take over government in a couple of years and do a better job.

Hon Ljiljanna Ravlich interjected.

Hon BARRY HOUSE: I was going to get around to the lack of science education in schools and mention in passing the shemuzzle of the implementation of the new courses of study in the state, but I will leave that to other speakers. There are plenty around at the moment. With those few words, I am pleased to note the tabled papers.

Hon Ljiljanna Ravlich: I am still Minister for Education and Training. I have not been removed, but you have.

Hon BARRY HOUSE: The minister should have been removed.

HON NIGEL HALLETT (South West) [4.06 pm]: I compliment Hon Barry House on a great overview of the budget speech, with which I totally agree. It gives me great pleasure to comment on the budget from a regional development perspective. Sadly, it appears to me that this is a budget of lost and squandered opportunities. It has been more than 30 years since this country, and particularly Western Australia, has experienced the growth rate and the strong economy we have today. We have a risk-taking state Treasurer who makes claims about the V8 economy, when it is blatantly obvious that that has resulted from prudent economic management by the federal Liberal government, which inherited a \$96 billion deficit from a high-spending, high-taxing federal Labor government. The opposition, when it assumes government, will probably have a similar inheritance from the present government. That is one thing that Labor governments have in common. They are high taxing - Western Australia has the highest taxes in Australia - and high spending.

Hon Ken Travers: If we did what Hon Barry House wanted, we would be spending a lot more.

Hon NIGEL HALLETT: Hon Ken Travers is like a hummingbird. Once we get used to the noise, it generally goes away. Let us hope that that keeps going.

I will now look at the state government and its mismanagement. I will mention two projects that have been grossly mismanaged. Hon Barry House touched on both of these. The first is the Peel deviation and the second is the southern suburbs railway.

Hon Ljiljanna Ravlich interjected.

Hon NIGEL HALLETT: What was that?

Hon Kim Chance: I am sorry, we were just discussing the merits of hummingbirds as opposed to bees.

Hon Ljiljanna Ravlich: We thought you were talking about bees and we were wondering why you would want them to go away.

Hon Kim Chance: Why would you want a hummingbird to go away?

The PRESIDENT: Order! Hon Nigel Hallett is speaking to the motion, which is to do with taking note of a particular tabled paper. It has nothing to do with birds and bees.

Hon NIGEL HALLETT: Thank you, Mr President.

The question we ask all the time is: who is paying for these continual blow-outs? The rural and regional areas are funding this, along with all taxpayers in the state, but predominantly the areas from which the state's economy is driven. What is the social dividend for regional development? It is a cut of \$9.4 million in funding and grants. It has not been a great year for the regions. The great southern region, in particular the area around Albany, is a good example. There are many things in the budget that the government says it will do, but what has it done? Not a lot is being done with all this money. Revenue has doubled since the present government was elected.

Hon Adele Farina: We must do the planning and design work before we do the construction. We also like to carry out community consultation, which is something you guys never did, but the community appreciates it.

Hon NIGEL HALLETT: Yes, but 2009 is coming up and we will get to cut all the ribbons.

Muir's Highway is one. It has been sitting there for as long as I can remember. That is the fault of the previous Liberal government as well.

Hon Ken Travers: Your speech is great: we are a big spending government, but you are telling us how to spend some more.

Hon NIGEL HALLETT: The government has not spent it; it has just promised it. The blue gum industry has been there for 10 years, and what has been done? Absolutely nothing. The transport system in the area is crying out for attention. Members who travel along Muirs Highway do so only out of necessity.

Hon Robyn McSweeney: It is a great track!

Hon NIGEL HALLETT: Every time Hon Robyn McSweeney travels along the highway, she takes her life in her hands.

Several members interjected.

Hon NIGEL HALLETT: We all know that that road is not up to standard. The industry has been telling this government particularly, but also the previous government, what will happen. The industry has ballooned over the years. The government claims to be the engineer of the booming economy. I agree that there is a boom, but it has been created with tax take. The former Premier wanted another tax - the premium property tax. What would the government have done with all that money?

Hon Ljiljanna Ravlich: He was not the former Premier.

Hon NIGEL HALLETT: Yes, the former Premier. Does the minister remember him - Geoff Gallop? It does not take long for them to forget!

Hon Ken Travers: He was a great Premier; a fantastic Premier. We have not forgotten him.

Hon NIGEL HALLETT: Hon Ljiljanna Ravlich could not remember him.

Hon Ken Travers: Of course Ljiljanna remembers Hon Geoff Gallop well and the legacy he left Western Australia. He was a great Premier.

Hon NIGEL HALLETT: The government wanted more tax over and above the historically unprecedented tax take it enjoys now. I have a few examples of this. This will probably surprise Hon Ken Travers. During the period of the Labor government, stamp duty on motor vehicles has increased by 102 per cent, motor vehicle registration by 33 per cent, conveyances and transfers by 169 per cent, tax on insurance by 44 per cent, and land tax by 45 per cent. How can members opposite hold up their heads -

Hon Ken Travers: What about motor vehicle third party insurance? It is down \$25 this year.

Hon NIGEL HALLETT: Wacko!

Hon Ken Travers: People pay that every year. People do not pay those things every year.

Hon NIGEL HALLETT: There has been a 169 per cent increase in one tax alone, and the member is talking about a measly \$25.

Hon Ken Travers: What about the cost of electricity? That has not gone up in the whole time that we have been in power.

Hon NIGEL HALLETT: The government has had the take from the goods and services tax, which is increasing every year.

Hon Kim Chance: Yes, but we did not want that.

Hon NIGEL HALLETT: No, but the government did not send it back.

Hon Kim Chance: We opposed that. It is a federal tax. It is Johnny Howard's tax. You wanted that.

Hon Ken Travers: Tell us how the federal government is taking all the GST out of WA and subsidising Queensland.

Hon NIGEL HALLETT: Members opposite do not want the GST?

Hon Kim Chance: No, we would give it back tomorrow.

Hon Ken Travers: We would not mind getting it all, instead of having it redistributed to Queensland.

Hon NIGEL HALLETT: How many more bureaucrats would members put on the staff then?

Hon Ken Travers: Your speech should be about attacking those evil Liberals in Canberra who redistribute the money to Queensland.

Hon NIGEL HALLETT: However, they have not done a bad job of running the economy, though.

Hon Kim Chance: If they have done such a good job of running the economy, why is the New South Wales economy not running as well as the Western Australian economy? Does that not have something to do with the quality of how Western Australia's economy is run?

Hon NIGEL HALLETT: We are now the highest taxing state.

Hon Kim Chance: If the feds are so good, why is there not an even, across-all-states benefit?

Hon Anthony Fels: There are Labor governments in every other state.

Hon Kim Chance: So it is a state government reason that we are doing so well. Thank you. I just wanted to clear that up. I am glad you agree with me.

Hon NIGEL HALLETT: The Leader of the House knows the basis of our economy. It is mining, gas, oil and agriculture. He knows where the money is coming from.

Hon Kim Chance: It is coming from the Chinese government, not the Canberra government.

Hon NIGEL HALLETT: I will let that one go. There is no point arguing about something that people know they are totally wrong about.

How can this government justify its cut in spending on the regional development commissions and rural and regional areas when it has such a large budget surplus? I mentioned some time ago that the government has cut its spending by \$9 million. Why? It has not changed in five years.

Hon Ken Travers: Because it changed five years ago when we brought in the regional investment fund. It went through the roof. You guys did not even have the RIF when you were last in government.

Hon NIGEL HALLETT: It has not changed in five years. Have a look at the budget.

The PRESIDENT: Order, members!

Hon NIGEL HALLETT: The hummingbird is going again.

Spending in regional WA in 2006-07 will be \$594.9 million. The total spending in the metropolitan area for the same period will be \$882.9 million. On top of that, we factor in the full payment of \$1.3 billion on the southern railway link to try to gloss over the interest effect. What does Western Australia have to show from this once-in-a-lifetime opportunity of money? It will have a railway that will run at a deficit in the vicinity of a net \$26 million a year; we all acknowledge that. That is what we will have from the state's huge income.

Hon Ken Travers: A new hospital in Busselton.

Hon NIGEL HALLETT: Not one brick has been laid yet. Let us get on with it. We have a health system that is in crisis. The member should ask his colleague Norm Marlborough how he felt on the weekend. He did not feel too flash. He reckons the system is jolly good. We have a decaying network across rural and regional areas. A new port at Oakajee has been proposed, but what is funding it? Overseas capital is funding it. We have a government work force that is spiralling upwards. It has been reported in *The West Australian* that the government has employed another 500 people at a cost of \$29 million.

Hon Ljiljanna Ravlich: So you don't think we should have more nurses, teachers and police?

Hon NIGEL HALLETT: What is our net -

Hon Ljiljanna Ravlich: No; I'm just asking you a question.

Hon NIGEL HALLETT: Of course we do, but we are not actually doing it. There have been as many resignations as new people.

Several members interjected.

The PRESIDENT: Order, members! One interjection at a time!

Hon NIGEL HALLETT: We are not getting the increases that are indicated in the budget. The government is saying that there will be 400 new police. What is the net increase? It is nowhere near that figure. Members know that. What has happened to the infill sewerage program? An amount of \$100 million was being spent on the program in 1998-99 and that is down to about \$34 million now.

Hon Kim Chance: Yes, because you spent all the money that you plundered from the Water Authority. I know how you did it. I was a director of the Water Authority when we put aside \$500 million, and you plundered it. I know how that happened. Max Evans and I agree on how it was done. Max was very proud of it. He is a clever man.

Hon NIGEL HALLETT: I will have to draw breath on that. The Leader of the House knows as well as I do - he travels to the south west on many occasions, and I commend him for that - how many projects are being held back in the area. We need look only at Boyup Brook. There is a sewage problem with the Blackwood River, and that project has been put back to 2018. The Leader of the House tells me that it is a responsible and environmentally aware government; sorry, mate, that just does not ring true.

The Peel deviation project was started 30 years ago. The cost of that project has now blown out by \$170 million. The sign has been erected to indicate that it will happen. Main Roads WA is telling us that the traffic volumes are 15 years ahead of projections, but still there has been no action. This government is hell-bent on moving water out of the south west with the Yarragadee project, the potential detrimental effects of which are still not understood fully. The desalination plant may have disastrous consequences for Cockburn Sound. Last year there was a fire around Mundaring Weir. Members should take note of the reaction to that fire. The weir is 70 per cent full. The other dams, around which there is no clearing, are still at 30 per cent capacity. It is unfortunate that that fire occurred, but it has taught us that we need to get our clearing and undergrowth right. We can increase the number of gigalitres in the dams a heck of a lot without spending the amount of money that has to be spent.

Hon Kim Chance: Is it the case that Mundaring Weir went up by that much?

Hon NIGEL HALLETT: Yes. Jim Gill publicly stated those figures at a function the other night. It is no different from when the Leader of the House was farming: if he did not keep his catchments clean, he did not get water.

Hon Kim Chance: It occurred to me that that might have happened when I flew over the fires after they had occurred, but I had not heard the numbers. That is interesting.

Hon NIGEL HALLETT: We have spoken about the money that is being spent on the desalination plant and the southern railway and the money that could go on the Yarragadee project, and, all of a sudden, bringing water from Kununurra is not a big issue. It is not water just for Perth; it is water for Western Australia. It is visionary. It would secure Western Australia's water supplies for the next hundred years. Members can imagine what extra tax would be collected. I thought that this greedy government would love the thought of more tax, but that is not the case and it will not look at the project. It did a feasibility study, but did not consider hooking into the back of the Kalgoorlie system and pumping water backwards. It would cover the inland area and across to Exmouth and Coral Bay.

Hon Ken Travers: Did you say that the government did not look at pumping back from Kalgoorlie?

Hon NIGEL HALLETT: The member should read the report that was recently released. It is not mentioned in that report.

Hon Ken Travers: It was certainly mentioned at the briefing.

Hon NIGEL HALLETT: There is no reference to costing in the report. I suggest that the member has another read of it. I stand to be corrected.

Hon Ken Travers: They looked at the feasibility of it. To pump it backwards, the system would need to be completely changed because of the way the piping operates. It did look at it.

Hon NIGEL HALLETT: The question is: how much higher can Western Australians be taxed? The tax take now is \$5 billion, even though it was estimated it would be \$3.9 billion. The government says that it has cut taxes, and Hon Ken Travers mentioned a couple of those taxes. These cuts should have been made four years ago in conjunction with the introduction of the goods and services tax. While the federal government was handing this government money, the state was still collecting revenue from those taxes. This government has a thirst for tax and money.

The people of Western Australia are entitled to some relief from this excessive taxation. It is important to remember that even without tax cuts the state will continue to receive increased revenue from the GST. One of the most disappointing aspects of this budget is that it does not include a funding increase for the nine regional development commissions. They have been operating at the same level of funding since this government came to office. In fact, as mentioned previously, their funding has been cut. However, this government claims to be a rural and region friendly government.

The rate of unemployment remains higher in country areas than in the city. Funding cuts have been made to health, education and police services. Whilst the budget refers to increasing the number of nurses and recruiting more police, particularly in the regions, the number of people leaving the rural and regional areas is greater than the number of people moving into those areas. The result is that nothing has changed.

Where is the extra revenue going? It is not going to the regions. What have the regions to offer? The continued cost blow-outs are a major concern. The ability to meet this escalation of costs must be addressed. Let us not forget the increased fuel tax collection. In June 2005 it was stated that if oil stayed at a rate of \$60 a barrel for the next financial year, this government would reap an additional \$310 million in petroleum royalties. At what level has the price of oil been since then? If members do their maths, they will determine what has happened. Once again, we can deduce from the price of oil that the government has received a massive windfall from petroleum royalties. This government is overflowing with money, but it has lost the ability to be accountable for responsible spending.

Where is the rationale behind the Labor government's decision to scrap the liquefied petroleum gas conversion subsidy scheme? Western Australia is a state with huge gas resources in a world with oil production problems. I thought the government would show leadership by subsidising and converting as many government cars to gas as quickly as is possible.

Hon Adele Farina: It was incorrectly reported in the newspaper. We have funded it this year. A review is to be undertaken. Funding allocations for forward estimates will be determined.

Hon Ken Travers: You do not think we should review government expenditure from time to time?

Hon NIGEL HALLETT: I thought a review would result in the project proceeding.

Hon Adele Farina: If the decision had come out of the review -

Hon NIGEL HALLETT: The government can easily signal its intention.

Hon Adele Farina: It did.

Hon Ken Travers: Perhaps there are better ways of getting a greater take-up rate of LPG conversion?

Hon NIGEL HALLETT: Tell us them.

Hon Ken Travers: That is up to the review. I will not tell you; I will tell the minister. You cannot get a car converted at the moment because of the waiting list.

Hon NIGEL HALLETT: I find it incredible that the government has not shown leadership by pursuing a sustainable biofuel industry. There is an urgent need to get this industry on its feet. The spin-off to rural and regional areas would be immense. It would underpin the state's grain-growing industry with a real price and not an artificially set price. The rural towns would be, once again, solid and confident and wealth would be generated across all sectors.

This budget is dull and lacks vision in what are great economic circumstances. It will be interesting to see how this government would respond to a substantial drop in revenue. The projections put the net state debt at more than \$7 billion in 2009, an election year. It poses the question: are we looking at a WA Inc? History will judge this government, and the judgment will be that it is a taxing and spending government; a government that has wasted millions and the opportunity to invest in and deliver vital infrastructure to regional Western Australia.

Debate adjourned, on motion by **Hon Bruce Donaldson**.