

Mrs Michelle Roberts; Mr Shane Love; Mr Matt Taylor; Mr Terry Waldron; Dr Mike Nahan; Deputy Speaker;
Mr Sean L'Estrange; Mr Nathan Morton

APPROPRIATION (RECURRENT 2015–16) BILL 2015
APPROPRIATION (CAPITAL 2015–16) BILL 2015

Second Reading — Cognate Debate

Resumed from an earlier stage of the sitting.

MRS M.H. ROBERTS (Midland) [2.46 pm]: In rising to speak on the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015, I speak in response to this horror of a budget, this ogre of a budget, and this monster of a budget. In doing so, I am reminded of all the midnight terrors that folklore inflicts. This is a vampire budget taking more money and more resources out of the pockets of the households of Western Australians to feed this government's insatiable hunger for money to feed its debt. It is a werewolf of a budget, shredding government services for those who can least afford to do without those services. It is a Sweeney Todd budget, taking the livelihoods and the precious resources of Western Australians and turning them into commodities to sell, like Mrs Lovett's pies for a cut price. Above all, this is a Frankenstein monster of a budget.

Mr C.J. Barnett: Who wrote your speech?

Mrs M.H. ROBERTS: He knows.

It is cobbled together with a stitch here, a cut there—ill-disciplined.

Mr F.A. Alban interjected

The SPEAKER: Member for Swan Hills, I call you to order for the first time.

Ms R. Saffioti interjected.

The SPEAKER: Member for West Swan, I call you to order now for the second time.

Mrs M.H. ROBERTS: In parts, it is very cruel and it is certainly a desperate budget put forward by the government. I suppose I could extend this metaphor further but there would be little point. Members opposite, particularly the Premier, who has already been interjecting, have difficulty with complex concepts and are especially unable to deal with irony, so let us get down to the real horror story—the facts and figures of this budget and what they mean for the people of this state. As I commence these remarks, I remind people of what the Premier said in this house a little over a year ago, when he said —

We continue to be Australia's strongest performing economy, with growth of just over five per cent last year. While we are all having to tighten our belts, this is still the best place if you want a job;

The problem is that he cannot make that claim any more. He could make it last year but he cannot make it now.

Dr M.D. Nahan interjected.

Mrs M.H. ROBERTS: I address my remarks to you, Mr Speaker.

We cannot claim that we have the strongest economy in the nation any more, as the Premier did last year, because New South Wales does, not Western Australia. We cannot claim that we have the lowest unemployment in Australia any longer because the Australian Capital Territory does.

Mr C.J. Barnett: Wow—we're knocked off by the ACT.

Mrs M.H. ROBERTS: That is very embarrassing; the Premier should be embarrassed.

Several members interjected.

The SPEAKER: Premier, I call you to order for the first time.

Mrs M.H. ROBERTS: With all the potential of this great state and a consistent record of having the lowest unemployment rate in the country, this Premier has lost it along with the AAA credit rating. The Premier seems to be either completely oblivious to his failure or just continues in denial pretending that it is not happening. The lines that were penned for him a little over a year ago for his budget speech are no longer true. They had to be deleted from this year's speech because they are no longer true. Where do we lay the blame for that? We lay it at the Premier's feet. On and off over the years between his various Treasurers, the Premier has had to fill in, but all the while he has been responsible for the growing debt and ill management of our state budget. For years when this opposition, the Chamber of Commerce and Industry of Western Australia and Treasury referred to the mining boom, the Premier told us there was no boom and that this was it—this was the future. He said that the demand for commodities would hold up and provide the economic conditions for continued prosperity and for revenue to continue to flow in at the same rates, and he would have this ongoing revenue stream to fund his

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vanity projects. Now, of course, he has been proven wrong. This state is paying the price and will continue to pay the price for years to come.

The Premier is the master of inconsistency. If we look back over his political career, we see how inconsistent he has been. I served in this Parliament with Geoff Gallop for many years. I have many plaudits for him, but a couple of the very positive things I would say about him is that, first, he was a man of principle and, second, he stuck by those principles and was consistent in his views. A person may not have agreed with those views, but he was always consistent in them. This Premier says whatever it takes whenever he needs to make up a new line. These days he has spin produced for him. This Premier sat on the opposition benches and did nothing but whinge and whine about state debt. He pilloried then Premier Carmen Lawrence, and I have quoted his words in the Parliament before, so I will not bother repeating them now. He said that she would take this state to over \$1 billion in debt. Her government and former Labor governments funded projects such as the Joondalup rail line, which the Liberal opposition did not support. Do members know one of the reasons the Liberal opposition gave for not supporting it? It said that it cost too much and the state could not afford it. The Labor government at the time said, "You say we cannot afford it; we say we cannot afford not to do it." The Labor government pointed to the growth in the northern suburbs and asked how the transport needs of these growing areas could be catered for, and the Joondalup line was absolutely needed. This Premier, when on the opposition side of the house, said that the Labor government could not borrow to fund the Joondalup rail line. What a nonsense! Look at what he is doing now. He is not even borrowing money for key infrastructure; he is borrowing money for some of his pet projects. That is the kind of core inconsistency we see with the Premier.

The Premier will not acknowledge the truth; he is forever in denial. I listened to a bit of his interview on radio 6PR with Gary Adshead and it was like listening to someone from an alternate universe. In an attempt to pretend that this problem would just go away in a couple of years, he said words to the effect of, "Gary, you know, look, sure, we've got a \$2 billion deficit at the moment, but even Treasury concedes that this will be a \$2 billion surplus in a couple of years." What he was trying to do there—some people might think cleverly—with a bit of spin was convince the listening audience that somehow we would go from deficit to surplus in a couple of years, everything would be rosy, we would have everything we wanted and have great projects and the state would be in a very positive situation. But, of course, he was talking about only the annual figures; he was not talking about the overall state debt situation. I think one caller to the radio pointed out that the Premier had taken state debt from about \$3.5 billion up to \$36 billion. The Premier, as he always does, interjected that we are only \$25 billion in debt at the moment—as though that is a good thing—not \$36 billion and he did not expect to get to \$36 billion. I sat in this chamber when the Premier said that he did not expect to get anywhere near \$20 billion of debt. Remember that? I was shadow Treasurer at the time and I was putting questions to the then Treasurer, now a federal member of Parliament, and the Premier was asking where the limit was and whether it would be \$20 billion or whatever. I would get various answers over the time telling me that we were only at \$12 billion of debt—\$13 billion, \$14 billion or \$15 billion—we were not at \$20 billion and they did not expect to get to that figure. I asked whether they would put a cap in place to guarantee the \$20 billion, because the Premier would not put a figure on it. He had put that figure of \$20 billion out there. The Premier said, "Look, I don't think we will get above \$20 billion; I don't think we will get anywhere near that." He said that we were only at \$12 billion or \$13 billion and that the opposition was just scaremongering. He is trying the same trick now. How often does he think he can con people? Now he is saying that we are only at \$25 billion and, even though the forward estimates say \$36 billion, we will not get to that. Why should we believe the Premier? It is just a nonsense! The Premier has now put himself into such a small corner that he can do nothing. He cannot justify what he has done. The only thing he is doing, and he has the whole team out doing it, is selling the big projects. It is like, "Okay, we've borrowed, borrowed and borrowed, but we have all these projects on the board, so let's just go out and sell those projects." Every one of the ministers has been out there selling their list of capital works. For many ministers, it is a much shorter list of capital works than governments have had before them, whether we talk about it in terms of numbers of schools, numbers of hospitals or whatever. The capital works budget for police is nothing compared with what it was until a few years ago.

There is a range of things that the Premier has committed to that are just not in the forward estimates; they are not on budget. This is partly how he got himself into this pickle in the first place. Under our former government, Premier Geoff Gallop and Treasurer Eric Ripper took a very prudent and responsible position on budgeting. Eric Ripper in particular was very, very keen to have future spending in the forward estimates. With government promises, government commitments, anything that a press release went out about or any statement that was made, Eric Ripper was insistent that those things would be listed in the out years so that we knew what our spending envelope would be. That is what prudent financial managers do. When an earlier minister—not me—announced the Perth Arena project, we had no costings on it; we did not even know what the building design would be like. We had a location and a vision that we wanted this venue. In fact, it had been a vision of the Gallop Labor Party before it was elected in 2001. Some members may remember that a small amount of money

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was offered to try to get somebody to replace the Perth Entertainment Centre. From memory, \$20 million was on offer—it might have been \$50 million—to private enterprise. We had some tender process and guess what? No-one in private enterprise wanted to step up to the project, so we kept evolving it along, asking how we would get it to happen. Clearly, it was not going to happen without other commitment from the government. We did not have a figure to put in the budget—I am using this example because it is a project I am familiar with—and that is how the then government operated with all its projects. Eric would say that he wanted a figure because he needed to put something in the forward estimates. He did not care if it was not the final figure and he did not care if it needed to be adjusted up; he wanted to be a prudent financial manager and he wanted some money listed in the out years that could indicate that, first, the government was committed to the project and, second, that the government would be able to fund it. It would also ensure that he would not get other bids for funding for the out years because he would know how much funding had already been committed in those years. With that, an earlier Minister for Housing and Works said that he had looked at an entertainment centre in Brisbane that had cost \$160 million a couple of years prior to that, so that is the figure that Treasury put into those early budgets. It was not something that we were going to do straightaway at that time, but it was something that we were planning to commence in two or three years, and there was a lot of work to be undertaken before that. Eric Ripper's approach was to put some money in there, even if it ended up costing \$250 million or \$350 million, so that he knew what kind of spending envelope he would have in the out years. That was the prudent financial approach that we took.

Separate to that, people will recall that we talked about whether we would have a parking station with it. We were looking potentially at a parking building across the railway or maybe wedged in between what is now Perth Arena and Mitchell Freeway. We looked at a freestanding parking station, which it was later determined should be incorporated into it. In those prosperous financial times, we looked at what would be the best project and what would be the best legacy for the people of Western Australia. Cabinet took a very conscious decision to go with best practice. We had well over a year of consultation with industry and others to work out how to build a state-of-the-art public venue that we could be proud of for decades to come.

In the immediate past, there had been some projects that we did not think the former government could be proud of. In my view, both the projects that I am about to mention were absolutely underdone by the Court government. One of them is the Perth Convention and Exhibition Centre. That should have been so much better than it is. In an ideal world, it would be expanded. Have a look at the convention centre in Melbourne and the convention business currently occurring there; it is huge. Within the last three years or so, the capacity of its convention centre has been doubled. The number of hotel rooms in Melbourne and the tourism dollars it is bringing into Melbourne is phenomenal, but we end up with this hotchpotch of a convention centre. The government sold off the parking business and the hotel, so now it does not even have the synergy of being able to have parking, accommodation and a convention business. That is a very underdone thing. From the way that the Premier has approached things, I cannot see how that will be resolved anytime in the near future so that we have a great convention facility. Frankly, the Court government stuffed that up.

The other project is the belltower. I think it was intended to be some huge statement more like the Statue of Liberty or the Eiffel Tower. My view is that it is absolutely underdone; it is not the iconic structure that it could have been. It cost a lot of money but was not done properly. We took a decision and, gradually, each year Treasury and the then Treasurer, Eric Ripper, would look at it and say, "Where is this project at? What are we looking at doing? Do we need to add in the parking and so forth?" That is how governments have prudent financial management. This government does not do it. It has promised all kinds of things that are not in the budget. I very much welcome the state government's \$22 million contribution for the university in Midland. I would like to see it, but I just cannot. I am very keen to see it and I cannot wait to have students there and studying. However, the money does not appear to be in the budget. The Premier may well say that the government is not going to spend any of that money this year and is not going to spend it until next year, but it should be in the forward estimates. That is what forward estimates are all about. That money should be there; it should be transparent.

[Member's time extended.]

Mrs M.H. ROBERTS: The only way that the government can deliver that money is by either getting some increased revenue from somewhere to put towards it or making a cut somewhere else in the budget sometime in the future. It means that some of the promises that are already mentioned in the budget papers will have to go, or maybe \$20 million will need to be cut from the health department for another project. The government cannot manage a budget this way. We have been saying this for years and the Premier has just been in complete denial. I have said before that it is how he operated as education minister and it is how he operates now. His line now is: "Debt is a good thing. We're doing all these things. You've got to spend, spend, spend. In a while, this will just be a blip on the horizon." I do not know where that kind of thinking comes from. I think he took a gamble with

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the finances of this state, thinking that they would continue on an upward trajectory. He has now hit a speed bump and is in a hole and things have not worked out as he anticipated. He has put all his money on one strategy and it has not paid off. He has lost the gamble and Western Australians have lost out as a consequence. He has always been an irresponsible financial manager. We have cited in this house letters from a former Under Treasurer and others about how he handled his education budget. Maybe it is a product of the era that he grew up in and the good fortune that a lot of people his age or generation had. They were able to purchase homes for a modest price and within about 10 years they found that, even though they had paid little off their house, they had about 60 or 70 per cent equity in it just by virtue of the inflation in the 1970s or 1980s. Maybe he thinks that will happen this time, but the size of this problem is well beyond anything that will be sorted out anytime soon.

There is a lot to talk about. I want to get on to some other issues. Clearly, I will go into more of the detail of the police budget during the estimates process and the process in this house following the estimates hearings, but I want to note one bullet point in the budget papers. It states —

A significant issue for Western Australia Police is the management of police officers that have become non-operational due to illness or injury, affecting officer availability and deployment options. The continuation of the Workforce Optimisation Project will review workforce management practices to enable Western Australia Police to increase frontline capacity to better serve the community.

I kid you not; that is a sentence out of the police budget! It is an interesting juxtaposition of two conflicting policy priorities. When we delve beneath the bafflegab of its corporate speak, it is a profoundly oxymoronic statement. Officers who become non-operational frequently do so as a consequence of work-related physical injury or the psychological damage of post-traumatic stress disorder. I have raised this issue again and again with the minister. Right now, such officers have no redress; they have no access to a workers' compensation scheme as operates for police in other Australian jurisdictions. Members opposite are well aware of this. I have spoken to a number of government backbenchers who are aware of this and would like to see something happen. Time has run out for this government to say, "If it's so bad, why didn't you fix it 10 years ago?" We had to fix a lot of things 10 or 15 years ago—or whenever it was. The priority at that time was what the union was pushing us to do at that time, and I was more than happy to take up the issue then—that is, to get occupational health and safety cover for police officers. That was the first step. I have listened to a lot of rubbish in this place in the last day or so from members opposite who said, "You guys did nothing but build the Mandurah rail line." What a nonsense! In introducing occupational health and safety cover for police officers, we had to upgrade just about every police station in this state. One of the reasons that previous governments had not put in place occupational health and safety regulations was that a lot of our police stations required significant upgrade before they could possibly be covered by occupational health and safety regulations. I thought that was a disgrace. We spent a lot of money upgrading police stations so that they would meet the standards expected of a workplace covered by occupational health and safety regulations.

We also built, following the Gordon report, a dozen new police stations in remote communities such as Balgo, Kalumburu, Bidyadanga, the Dampier Peninsula, Laverton and others. We bought two new Polaris aircraft for WA Police. I put in place in this state the first dedicated medical emergency chopper, known as RAC Rescue 1. That was our initiative. That is the kind of thing we put in place to benefit the community of Western Australia.

I also did what many other governments failed to do and put in place the Fire and Emergency Services Authority levy. Members might think that that may not have been a popular thing to do, but it was the right thing to do and everyone in emergency services certainly knew it was the right thing to do. People in the insurance industry and a whole range of places knew it was the right thing to do. I expect many of the newbies in this place are unaware of what used to occur. Previously, the funding of emergency services in this state largely came from the household or building insurance premium. About 75 per cent of the funding came from insurance and the other 25 per cent came from a combination of state and local government funding—12.5 per cent each, to my recollection. The state government put in 12.5 per cent of the fire and emergency services budget. Local government, through its rates, contributed a very small amount of 12.5 per cent, and the rest was from insurance. That was not a fair system because some people were uninsured and the big buildings on the Terrace and the like were insured overseas, so some of the entities that should have been paying the most were paying nothing at all because they were insuring overseas. This levy was about putting in place a fair and equitable system. Last night the member for Girrawheen touched on the fact that this is another inconsistency by this Premier and members opposite. The assurance that was sought from me and I gave, with the backing of Premier Geoff Gallop, was that we would not use this funding so that the state no longer had to put in its amount out of the consolidated account. We said that we would not rip off people through a FESA levy—now a Department of Fire and Emergency Services levy—and cross-subsidise other areas of government, and that we would retain our funding commitment out of the consolidated account. I was asked that question repeatedly by the National Party. The member for Girrawheen highlighted where the now Premier had stood on the issue and how he demanded the

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same assurances. I gave that assurance, and I also produced a couple of papers over the next couple of years and demonstrated clearly that for the duration of my time as Minister for Emergency Services, we kept to that. The member for Girrawheen quoted the amount last night. The state contributed in the order of, I think, \$40 million or \$50 million to emergency services at that time, and we maintained that amount. The government tried denying it for a couple of years, but it is now no longer denying that it is basically fully funding the whole Department of Fire and Emergency Services out of that levy. We put that levy in place because of a real need. I was certainly advised, and I would be surprised if this government has not been advised too, that we were really underdone and that there were real issues, particularly with fire management, in this state. At that time the service was very much under-resourced. Most people in this state do not understand that outside the metropolitan area of Perth, there are very few career emergency services personnel. The only towns covered with a regular fire service are Geraldton, Bunbury, Albany, Kalgoorlie and Broome. Outside those centres, what must be 90 per cent of the state is covered by volunteers. Supporting those volunteers is very, very important, and they have to be supported with the best equipment and with breathing apparatus. They have to have training programs so that their lives are not put in danger as they go about volunteering to assist on behalf of their communities. However, this government, again showing off the hypocritical actions and statements of the Premier, is ignoring that.

I also want to highlight one other little untruth that the Premier said on radio this morning. Gary Adshead put a question to the Premier about the road trauma trust account and said, "Isn't there about \$100 million in the road trauma trust fund that goes unspent? Will that be remaining there or are you going to spend it?" The Premier said, "No, no, no. We are spending all the money from the speed and red-light cameras on road safety. I think that was a very good initiative of our government", and gave himself a little praise. It was not his idea; it was the member for Hillarys' idea. Having given himself the praise, he said, "Yes, we're doing that. In fact, we're getting about \$100 million in revenue this year, Gary"—I am paraphrasing here; they are not his exact words—"but we'll be spending about \$100 million too, so that money has all been spent." No, it has not been spent, but do not take my word for it. Perhaps we could ask the Treasurer because he should know the answer. The Minister for Police should surely know the answer, and we will certainly be pointing it out to her during the estimates process. About \$80 million will be staying in that account, unspent. It is there in the budget, buffering the budget, trying to improve the government's bottom line when it comes to debt. But, members, do not take my word for it —

Mr R.F. Johnson: Take my word for it.

Mrs M.H. ROBERTS: Take the member for Hillarys' word for it—government members do not seem to put a lot of store in that either. What about the Royal Automobile Club? The RAC put out a statement that I think contained a few bouquets and a couple of brickbats. There were some bouquets about the no-fault insurance scheme but certainly a brickbat when it came to road safety. The RAC's media statement that is online and no doubt distributed and seen by the Premier's people clearly states that \$80 million is in that account that the government will yet again sit on to try to improve its net debt position. In my view, what the Premier said on radio today is a blatant lie. How can he tell Gary Adshead on 6PR that the government will spend all that money? He was specifically asked whether that money would stay in the trust account. The fact is that the government may make decisions during the year that reduce that amount, but based on past practice, it is vastly more likely to make decisions during the year that see even more money stay in that account to bolster its parlous debt position.

MR R.S. LOVE (Moore — Parliamentary Secretary) [3.16 pm]: It is good to have the opportunity to speak today on the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015, which, as we all know, were framed in very difficult circumstances. I would like to congratulate the Treasurer of Western Australia, the Premier and, of course, the Leader of the National Party for delivering a very good budget in difficult circumstances. As we know, there are severe short-term pressures on our budgetary situation brought about by the unfair allocation of the goods and services tax that Western Australia gains from the rest of Australia—I believe it is less than 30c in the dollar in the coming year. I do not think anybody in this chamber would deny that that is an unfair situation for the state and one that we must work on to rectify in time. As I understand it, the short-term situation will correct itself and sometime in the next couple of years, we will see some of those allocations flow back to Western Australia and the budget will return to a strong surplus situation—something that, unfortunately, the federal government will not be able to do in the same time frame. We should be very pleased with the path back to recovery that the Treasurer has laid out for Western Australia, which certainly gives us great hope going forward. It is a bit like a farming situation. I spent over 30 years on the land as a primary producer and I know very well that in some years a farmer will not make any money, despite everything that he might do, because it is not a good season. This state is in that situation. We need to take the long-term view and not panic because we will have a bit of a downturn over the next couple of years. Just as a farmer will have looked closely at the costs that he might have over the next couple of years, so, too, has the state, but we do not want to cut into the productive core of the business and sell off the ability to grow into the

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future. The government is taking a very prudent view of that going forward. We also do not want to see a pullback on the development of assets in Western Australia, because at the moment business confidence has probably been shaken by some of the changes occurring in our economy's structure as we move from the mining construction phase to production. Surplus capacity will be generated as a result of that change. It would be terrible if all asset development in Western Australia shut down, because that would lead to a glut of capacity and lead to economic malaise throughout the state, especially in the region that I represent. Royalties for regions is a measure that helps to improve business confidence, improve the economy's competence and improve development within regions of Western Australia, and now is not the time to shut down any of that. We need to keep that investment going to ensure that business and the community remain confident in their futures.

This budget, of course, contains record investment in regional Western Australia. As I have said, that is a very important factor at this time. There are many new and ongoing initiatives that will help build economic strength in the regions and also the social capital, if you like, of Western Australia's regions. There are major ongoing infrastructure and service projects happening in all the regions, but in my electorate of Moore in particular one of the big projects at the moment is the redevelopment and improvement of Great Northern Highway. The Great Northern Highway project is funded 80 per cent by commonwealth funds, because it is part of the Perth–Darwin highway, and 20 per cent by the state government. It will link into NorthLink WA, as it will terminate in Muchea in my electorate, and come through some of the electorates of the south, including through the electorate of the member for Swan Hills. It is a very large investment that will enable better passage of produce and passenger vehicle transport from my electorate into Perth.

More importantly, Great Northern Highway is the link from Perth to the eastern Pilbara. The section from Muchea to Wubin, which is all in my electorate, will receive nearly \$450 million in funding to improve road transport to the Pilbara and improve access through towns such as Bindi Bindi, Miling, Wubin and other small towns in the community, especially with the recent announcement of \$29.8 million in combined funding for the bypass of New Norcia. New Norcia is a wonderful asset for Western Australia and a unique monastic community located in the Shire of Victoria Plains. It was my great pleasure to host Deputy Prime Minister Warren Truss, the federal Minister for Infrastructure and Regional Development, when he visited Western Australia during the state election campaign. We joined the abbot of New Norcia, the Rt Rev Abbot John Herbert, and discussed the need for that bypass. Warren took on board that need and has done all he can so that New Norcia gets that bypass. It was also a great pleasure to accompany the Premier on his recent visit to New Norcia, where once again the importance of that bypass was impressed upon him. More recently, I accompanied the Minister for Transport up there when he made the welcome announcement that the state government, along with the federal government, would co-fund that \$29.8 million commitment to bypass New Norcia and protect those heritage-listed buildings from the ravages of heavy vehicle transport. It will not only protect it from the vehicles, but also enable people to fully appreciate and relax in that monastic community without the threat of being run over by a large road train speeding through the town. Unfortunately, many of those road trains go through the town far too fast and the vibrations damage the buildings, and that does not fit with the relaxed atmosphere in a monastic community.

There are many other great infrastructure and service projects going on in my electorate. Some of those that I will talk about now briefly are funded by the Mid West Investment Plan, which will invest \$141 million in the midwest region of the state—that is the area from the Murchison out near Meekatharra all the way down to the Shire of Coorow in my electorate, including the City of Greater Geraldton. The member for Geraldton would attest to the importance of the Mid West Investment Plan to provide for the future of those communities. I am going to Kalbarri on Friday to make some announcements about further funding under that plan, and I believe the Minister for Regional Development will visit Geraldton in a week or so to make further announcements about other initiatives that the Mid West Investment Plan will put forward for that region.

Also in the southern part of my electorate, which is part of the wheatbelt area, is the Growing our South fund. Initiatives worth \$521.3 million will be earmarked over the coming years to help drive small and large project development for the wheatbelt and also the south west, the great southern and the Peel district.

I will turn now to some of the individual projects that will come forward, as well as the Growing our South fund that I have already talked about. Incidentally, I was in Busselton earlier this week and the people there are very keen to see their area grow. It is one of those areas that will grow with the Growing our South fund, and Busselton is looking to developing its airport so that it will be able to provide for not only fly in, fly out traffic, as it does now, by taking people to the far north of our state from Busselton, but also with some further development, it is hoped that transport will be able to land there from the eastern states, including larger transport such as A320s and 737s. That would be a great boost for the southern region of the state, not only for passenger transport but also for the fine food industry in that area to flourish. Air transport is integral to getting

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products such as truffles and fine food out to a market in a cost-effective and timely manner. I see that as a great initiative not just for my region but for the entire south west of Western Australia.

Throughout this whole state of Western Australia there will be an allocation of \$362 million into regional investment blueprints. Each of the nine development commissions within the regions of Western Australia have been asked to develop a blueprint for investment for their region. The idea of that blueprint is to not only spend government money, but also point to what is needed in their regions so that they flourish and to point the way not only to royalties for regions funding, but also whole-of-government funding, industry funding and private investment coming in, growing our regions, developing the whole state of Western Australia. When that was initially announced, I think a total of just under \$200 million was allocated. There have been further allocations to regional investment blueprints to bring them up to a total amount of \$362 million over four years available for each of the development commissions to tender for projects that fit their respective growth pathways.

As well as that, I am very pleased to see royalties for regions supporting the social housing investment package to the tune of \$85.2 billion. The aim of that total package of \$560 million is to significantly reduce the waiting list for those very vulnerable people who rely upon social housing in Western Australia. In doing so, it may unlock some of the assets of the Department of Housing to provide not only affordable social housing but also unlock the potential to develop units and houses, some of which may end up as social housing and some of which may be sold as affordable housing for those people who do not meet the social housing criteria. As we know, at the moment the provision of social housing can be a poverty trap for people. People who live in social housing who try to advance themselves and find a job can find themselves out of a home. It is not an ideal situation going forward. We would like to see more people taking advantage of affordable housing, but those people who have no option desperately need to be housed, and this state government has made a very sizeable contribution to ensure that happens right across the state, including the \$85.2 million that will be dedicated solely to the regions.

I have heard some criticism of royalties for regions funding the prescribed burning program throughout Western Australia.

Ms M.M. Quirk: It wasn't a criticism.

Mr R.S. LOVE: The member has had her say. As a country person, I can say that for many years, and with governments of all persuasions, people in my electorate have been frustrated by a lack of action on prescribed burning. This has led to many very serious wildfires burning in an uncontrolled manner in areas of Western Australia, including in my electorate and especially in recent years. The prescribed burning package in the budget will protect the south west area from the Perth hills south, and includes areas of my electorate in shires such as Chittering and Toodyay. Anybody who wants to understand the effects of fire need only go out to the Shire of Toodyay to see how real those effects are. As recently as last month, I was in contact with constituents who are still feeling the effects of that fire back in 2009. That is not a situation I want to see visited on anybody. I applaud the state government for taking the initiative to increase the prescribed burning regime and to get it back on track after it had fallen behind for a number of reasons. There had been some incidents that turned community opinion against prescribed burning for a while, but that emphasis is changing after more recent events. The Minister for Regional Development has firsthand knowledge in his electorate of the damage that a wildfire can do in the forests in the south. I can attest to the damage that was done to the bushland north of Perth. I applaud the state government and the Minister for Regional Development for making a commitment to increase prescribed burning over the next four years in high-risk areas.

Another great program that is getting some traction through this budget is the regional telecommunications project. Members will have heard about black holes in communication. They occur throughout regional Western Australia.

Mrs G.J. Godfrey interjected.

Mr R.S. LOVE: They might occur at the Belmont Forum shopping centre, too, member.

Mrs G.J. Godfrey: No, at Kewdale.

Mr R.S. LOVE: I do not think the regional telecommunications project will stretch to Kewdale, but I assure the member that there are many areas in my electorate and elsewhere that desperately need better telecommunications. This project follows on from what was known as the regional mobile communications program, which delivered 113 towers throughout Western Australia. That program has made a huge difference in these areas. Unfortunately, it also uncovered the fact that Western Australia has many other communication black holes. This is not a prime responsibility of the state government, but is a response to a community need, feeding into what might be called market failure. The Telstras of this world have not been able to make a

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business case stack up in some of the regional communities and to provide telecommunications. This program will enable some of those business cases to stack up; it is not there simply to build towers, but to assist to make the development of a tower in an area a viable proposition where otherwise it was not. The cost of the towers varies. I have to say that our partner in the last program, Telstra, did a great job in extending that program from what we thought would be possible to many more towers than was expected, simply because it was looking at the overall picture and what it needed to include in the business case.

[Member's time extended.]

Mr R.S. LOVE: The budget provides for a community chest fund in regional areas. That has really taken off in my electorate with its very small groups in small isolated communities that do not have the ability to raise large amounts of independent funds because the communities are simply not big enough to run the Bunnings-type sausage sizzle and raise a thousand bucks on a Saturday morning. These communities need access to a bit of small funding just to get them over the edge and to get some projects on the ground. If we go back to the economic situation in the state, we have a bit of excess capacity. I was up in Dongara the other day looking at some work that had been done by the local race club. It had received some funding from the community chest and pretty well all of the money it had received had gone on buildings, with all the work being done by local builders. The project had also attracted funding from the race club and other community groups. It had resulted in a considerable project being delivered for a very small cost to the state and it provided employment, and assets that will last for 20 or 30 years going forward for that community. That was a great project and a great fund, which has been taken up by people within the community.

In addition, funding is provided through the regional grants scheme, which will enable larger projects of regional significance, I suppose you could say. Those projects are funded largely at the discretion of the regional development commissions recommending those projects, but the state government, through cabinet, approves those and makes sure they keep within the state government's investment criteria.

The Southern Inland Health Initiative was originally a \$565 million program; of course, it has been going for a while now and some of that money has already been spent. That program has \$413 million left to be spent over four years. We see that bringing about radical improvements in health infrastructure in country areas of Western Australia, basically from Kalbarri down through the agricultural areas into the south of the state. In my estimation, one of the great improvements from that initiative is the development of telehealth. Why is that great? It is great because it means that communities that do not have access to a doctor or a specialist, especially in trauma situations, now have that access in real time by using the telehealth facilities provided in those country areas. Telehealth makes our health service more efficient, and it is very important to find programs within our investments that actually improve efficiency and are not an ongoing drag on government resources. That project uses what might be called disruptive technology and changes the pattern of how we do business in health provision in country areas of Western Australia. It has provided a far greater level of protection for the community than it has had, and a far greater level of assurance for nursing staff in regional areas who did not have assistance from doctors or specialists. It has been a radical change for many isolated areas. I applaud everybody who has been involved in that program and the many other initiatives that the Southern Inland Health Initiative has developed.

Pensioners are a very important part of our community and government should always help those people who have dedicated their lives to building better communities in regional areas and are now in the twilight of their years. One of the ways that royalties for regions has been able to help these people over the years has been the development of the Country Age Pension Fuel Card. Tens of thousands of people in the regions have access to that card. I think that well over 40 000 seniors have access to that card. That amount provided on that card is now indexed, which means it will rise from the current level of \$550 to \$565 a year for eligible card holders from 1 July this year. Card holders will not see the real value of this card diminished going forward. This card has been very gratefully received by pensioners, many of whom have no access to public transport. One of the rationales in providing this card is the lack of services in country areas, which pensioners might be able to access in city areas that have free public transport. People in the country do not have access to public transport, but they have to get to medical appointments and go shopping. They have lives to lead, and this card is a great help to them in doing that.

One of the projects that royalties for regions has taken on in recent years is Seizing the Opportunity Agriculture, which is hugely important because we need to build productive capacity in Western Australia beyond that which we have now so that we have a stronger economy moving forward than we have now.

Royalties for regions is helping to fund \$300 million over five years for the Seizing the Opportunity Agriculture program that supports growth in developing markets for agriculture, better training for people involved in agriculture and helping grower groups. A very important facet of farming is the self-help farmers do when they

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club together to learn how to do things better. The eConnected Grainbelt program has been developed to help grain growers, and there is the development of the grains research and development centre—GrainsWest—that will see a centre for excellence, if you like, being developed in Northam in the wheatbelt. It is fitting that the wheatbelt will be the site of much of the Department of Agriculture and Food's research capacity going forward. That will see many, many scores of research staff heading up the hill into Northam and out into the wheatbelt, where they should be, helping our grain growers move forward.

In livestock, there has been the announcement of the sheep industry business innovation project in Katanning and the northern beef futures program, which is running in the Kimberley. Livestock has not been forgotten; it is a very valuable part of our agricultural scene.

Of course, this is in the context of the rapid growth in Asian wealth. A lot of people talk about food security, but I think food safety is more the point. It is important that Asian consumers, particularly the Chinese, want to know that the food they eat is safe, and they see Western Australia as a place where safe food can be sourced. They are very keen to purchase from our farmers because they see them as clean and green. We are very keen to ensure that those farmers can provide for that market going forward. To be able to do that, we have to look at the agricultural supply chain to ensure there are no blockages to getting our produce to market.

A project recently announced in my electorate, which already has been happening elsewhere, is the Water for Food program that investigates new horticultural precincts throughout Western Australia. Although we have a drying climate, we have significant groundwater resources that have not yet been developed. The program investigates how to develop those resources and point the way forward to where there might be potential for precincts to develop that will improve the productive capacity of our horticultural areas. I have seen firsthand how important that is in my electorate. Back in the 1980s, I had a small property in a very isolated area of the Shire of Gingin. I drive past that property now and look at the development in horticulture in that area; it has actually become the salad bowl of Perth, with lettuce and carrots crops, olives and other horticultural products produced in abundance in that shire. A very, very large degree of development has taken place in the last 20 years. The water resource in that area has largely been taken up, and we are looking to expand further north into areas near Moora and as far north as Dongara where significant water resources are still available. In partnership with the Liberal Party, the Nationals are committed to ensuring Western Australia's primary producers are well equipped to face the challenges of the future and seize the opportunity going forward that developments with our Asian neighbours present.

In summary, I would like to emphasise the important role royalties for regions plays in regional Western Australia. I would like to acknowledge the role of the Minister for Regional Development, the member for Warren—Blackwood, who is in the chamber. He has guided that program to ensure that we still have \$4 billion going forward over the next four years to invest in employment opportunities and building social wealth and capital in our regions. Since 2008, royalties for regions has invested over \$6 billion in regional Western Australia in more than 3 600 projects—and it is growing. We would like to see that prosper in the future and continue to provide great benefits to regional Western Australia. Despite facing tight fiscal conditions at the moment, we have to keep our eyes on the path forward to ensure that in the long run Western Australia is better for our presence in Parliament and our efforts over the next four years. I look forward to seeing provisions of the current state budget delivered this year and over the period of the forward estimates. I look forward to playing a part in the delivery of royalties for regions into Western Australia.

MR M.H. TAYLOR (Bateman) [3.45 pm]: I rise to speak on the Appropriation (Capital 2015–16) Bill 2015 and Appropriation (Recurrent 2015–16) Bill 2015. The current economic outlook shows an iron ore price that has plummeted by about two-thirds and an economy more exposed to these fluctuations due to an inequitable share of GST revenue. I will not go into the GST share, as other members have done so in depth, but I would like to acknowledge the work of the Premier, Treasurer, federal members and senators in bringing this discussion to the national table and advocating for WA industry in Canberra. The Prime Minister and federal Treasurer have both acknowledged WA's raw deal. The \$500 million assistance package is further acknowledgement of this fact.

The Liberal–National government is broadening the economy and backing WA business to create jobs. We will continue to build and modernise the state with a \$24.1 billion asset investment program over the next four years. We have an asset sales plan to reduce debt. We have kept the impact on households and businesses to a minimum. We are finding efficiencies and savings in the public sector.

What have we done with the boom? We have modernised the state, revitalised the regions and built education, hospital and transport infrastructure for the future. We are transforming the city. We have delivered quality services in education, health, law and order, child protection, disability services and mental health with a highly trained and well-paid professional public service.

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The \$8.1 billion health budget has increased by 71 per cent since the Liberal–National government came to office in 2008–09. We have invested a massive \$7 billion in new hospital infrastructure since 2008, including \$1.2 billion for the Perth Children's Hospital; \$120.4 million for the Busselton Health Campus; \$360 million for the Midland Public Hospital; and, of course, our state's biggest ever infrastructure project, the \$2 billion Fiona Stanley Hospital. The 783-bed Fiona Stanley Hospital is now benefitting the community, and the higher-than-expected visitor numbers are testament to the community's recognition of this fantastic hospital. Beside the world-class technology and standard of care, the state government's partnership with Serco has been a huge benefit to the local community, yet members opposite continue to tear down and attack the hardworking Serco staff. They should come out and speak to them, as I have done. The staff at Fiona Stanley Hospital—both WA Health and Serco staff—work extremely hard and exhibit a level of professionalism that is frankly unmatched in other public hospitals in WA and around Australia.

One example of the benefit to the local community is the boost for local employment. Prior to the hospital's commissioning, Serco initiated a huge employment drive and now employs over 1 000 non-clinical staff at Fiona Stanley Hospital. It is one of WA's largest employers outside mining and government. Serco's recruitment for Fiona Stanley Hospital was one of the largest recruitments in WA, and I commend the strong emphasis it had on promoting local jobs through advertising in the community newspaper and through local media. Their community sponsorships program is an excellent initiative and a great benefit to the local community. Sponsorships of \$1 000 are awarded to local groups promoting healthy lifestyles in the community. Last year I went out to Piney Lakes Community Garden, which is utilised by cub scouts and school groups to learn about the benefits of healthy lifestyles. They used the funds to purchase a new barbecue to help cater for visitors to their gardening workshops. The group does not receive any other funding. The community sponsorships program is running again this year and I believe applications close at the end of May. I look forward to visiting more recipients of this excellent initiative.

This budget finalises the commissioning of this fantastic hospital, including funding for the remaining information and communications technology equipment and infrastructure. A total of \$5.9 million is allocated for intensive care clinical information systems and pharmacy automation.

I was delighted to be out at Fiona Stanley Hospital two weeks ago with the Minister for Mental Health, Hon Helen Morton, who was there to announce \$2.5 million for a two-year trial of a specialist community mental health service operating out of the hospital. This trial will provide a specialist community mental health service to support young people with a mental illness to stay out of hospital or return home after an inpatient stay. This Liberal–National government is investing a record \$612 million in specialist mental health hospital services in 2015–16. This represents an increase of \$30 million on 2014–15 and a 41 per cent increase since the Mental Health Commission was established in 2010–11 by this Liberal–National government. Western Australia has the highest per capita expenditure and clinical staffing in specialised mental health services in Australia. The excellent youth mental health services available at Fiona Stanley Hospital will be a huge support to young people and their families. One in four of all mental illnesses commence before the age of 24, with most symptoms starting between the ages of 16 and 24 years. Mental health illness is more prevalent among youth than any other age group, so the additional \$30 million in this year's budget is being targeted at areas where it will have the greatest impact.

In addition to the dedicated youth beds at Fiona Stanley Hospital, there is also a new eight-bed mother and baby mental health unit, plus an eight-bed short-stay observation and stabilisation mental health unit. This creates 1 283 additional admissions to a specialist mental health hospital bed each year. Providing more hospital beds closer to where people live has been a priority of this state government. Since 2010, an additional 86 specialist mental health hospital beds have been introduced across WA, providing an additional 2 567 admissions a year.

I would now like to talk about investment in education. This Liberal–National government continues its strong investment in education. We are ensuring that the next generation is given the best platform to become active and engage citizens in this twenty-first century. Since coming into government, we have increased investment in education by 47 per cent to \$4.8 billion. Investment per public student is at a record high of \$16 786 per student. Due to continued population growth and migration, enrolments are forecast to grow by nine per cent by 2019. This is why we are investing \$295 million in 2015–16, and a total of almost \$1.2 billion over the forward estimates to improve public school infrastructure. This includes four new primary schools and two new high schools announced in 2015–16. We are also providing the systems needed for schools to modernise and provide the best quality education. One hundred and seventy-eight new independent public schools opened at the beginning of 2015, including Bull Creek Primary School in the Bateman electorate. The majority of public schools in my electorate are now independent public schools, including the highly-regarded Rossmoyne Senior High School, which is really showing the benefits that can be provided to students from this model.

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In addition to primary and secondary education, tertiary education in the Bateman electorate is receiving a boost. Challenger Institute of Technology in Murdoch will receive \$24 million this year for new and upgraded infrastructure, and a total of \$42 million from 2013–14 through the forward estimates. This funding comes through the Department of Training and Workforce Development. I commend the government for continuing to support technical institutes in WA that provide training to support our broad economy. Situated in the Murdoch activity centre is Challenger Institute and Murdoch University and they are providing excellent tertiary education.

I would now like to comment on science and innovation. The government is focused on broadening the state's economy and science will play a major role in contributing to WA's future economic success. Science and innovation is the fuel of the modern economy and is therefore of vital importance to virtually every aspect of our state. Scientific innovation provides the catalyst for collaboration, both locally and globally, through creating opportunities such as new business markets and entrepreneurial prospects, new sources of employment, improved efficiency, and opportunities for the development of intellectual property. In April 2015, the Premier launched "A Western Australian Science Statement" at the inaugural Science on the Swan Conference. The statement highlights the state's current capacity, focusing on five key areas: radio astronomy; marine terrestrial biodiversity and conservation; minerals, energy and petroleum; agriculture and food; and health and medical research. A long-term strategy will be developed over the coming 12 months through engagement and consultation with industry, universities and research institutes.

The Square Kilometre Array project is a global science and engineering endeavour to build the world's largest radio telescope. The state government has invested around \$51 million into building Western Australia's radio astronomy research capacity and capability, including the establishment of the International Centre for Radio Astronomy Research, a joint venture between the University of Western Australia and Curtin University. The state government's commitment has also included around \$45 million towards establishing the Murchison Radio-astronomy Observatory, which was a key factor in Australia securing the right to co-host the SKA project. The MRO is already home to two world-leading SKA precursor radio telescopes, the \$51 million international Murchison Widefield Array and CSIRO's \$180 million Australian SKA Pathfinder telescope. To date the state has contributed more than \$19.5 million towards the operational requirements of the Pawsey Supercomputing Centre, with a new contribution of \$21.552 million over five years, from 2016–17. As well as supporting the requirements of radio astronomy, the centre is also used by a wide range of disciplines in Western Australia, including medical research and the minerals and resources sector.

There is ongoing support for the International Centre for Radio Astronomy Research. In 2009, the government contributed \$20 million to help establish ICRAR, a joint venture between Curtin University and the University of Western Australia. ICRAR has now gained international recognition for its radio astronomy capability and has deepened capability and capacity for radio astronomy research in the state. ICRAR has also secured significant economic benefits for the state. So far, ICRAR's related activities are estimated to have made a total economic contribution to the WA economy of around \$74 million. The Liberal–National government has committed an additional \$26 million for the five years of ICRAR's operation from 2014 to 2019, with the joint venture partners providing around \$100 million in cash and in-kind support.

I would like to talk about support for marine sciences. In 2012, we committed \$13.5 million to the Western Australian Marine Science Institute over six years. Funds include \$12 million for Kimberley Marine Science Research. In April 2015, the Western Australian "Blueprint for Marine Science 2050" was released. The blueprint identifies the future knowledge needed to underpin economic and social prosperity for Western Australia from the marine estate over the coming decades. Following the launch of the blueprint, the Premier announced that a series of high-level roundtable discussions will commence to address issues affecting the marine environment that were identified in the blueprint. This will be chaired by the Chief Scientist, Peter Klinken, and Professor Colin Beckett.

Waterman's Bay Marine Research Centre has benefited from construction to rebuild the derelict research facilities at Waterman's Bay, which has commenced. It will be rebuilt at a cost of \$11 million in a project that will enhance WA's marine and fisheries research capabilities and see the beachside centre become a hub for more than 40 scientists and research staff. The state committed \$4 million in the 2014–15 state budget for Waterman's Bay Marine Research Centre, which is expected to be completed in 2015. The centre will be a collaboration between the Australian Institute of Marine Science, the CSIRO, the UWA Oceans Institute and the Department of Fisheries.

We committed \$9 million in 2009 to develop the Kimberley science and conservation strategy and a further \$81.5 million to implement initiatives under the strategy. Part of the strategy includes investing in knowledge and making information accessible. This includes a six-year \$14.2 million marine science program to increase

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knowledge of the region's unique marine habitats and wildlife and an online knowledge portal to provide ready access to existing scientific and cultural information on the Kimberley.

I would now like to turn to an area I am particularly passionate about. Aquaculture is the fastest growing food production sector worldwide and is set to overtake capture fisheries as the primary source of seafood. In order to meet the increasing global demand for seafood, aquaculture production will need to increase at a rate of at least 12 per cent annually—a rate that it has attained in the past and will need to continue. WA is the largest exporter of rock lobster in Australia, which accounts for 93 per cent of our export earnings from edible fisheries product. Aquaculture production in WA is mainly driven by pearl production, which accounts for 83 per cent of WA's total aquaculture production, valued at \$79 million. The remaining 17 per cent is the edible aquaculture component consisting mainly of marron, mussels and fish species. This component has approximately doubled since 2007 and in the two most recent reporting years, 2011–12 and 2012–13, the value of edible aquaculture products in WA increased by one-third, or \$4 million to \$16 million. Growth in the WA aquaculture industry may be accelerated by targeting some of the key development sectors such as marine algae, prawns, finfish and abalone. WA is blessed with a pristine diverse coastline that is perfect for cultivating a broad range of food species and we should look to maximise the benefit of disadvantage. Growth of these food sectors would have major regional and local impacts through providing sustainable opportunities for employment, as well as important regional economic diversification. Additionally, our close proximity to the Asian markets provides an excellent opportunity for growth in exports to this region as the demand for seafood continues to grow. Growth in the industry may also be promoted by addressing the current impediments to aquaculture investment in WA, including the high-cost environment and regulatory impediments to securing timely environmental approvals. If these investment hurdles can be overcome, the industry can be competitive and its growth accelerated. There have been recent improvements in the licensing and regulatory framework through the introduction of management and environmental monitoring plans, which have enabled the Department of Fisheries to take responsibility for the environmental management of aquaculture in Western Australia. The establishment of aquaculture development zones is also a positive step forward, since these provide an investment-ready platform for large-scale aquaculture development in Western Australian waters. I acknowledge the Minister for Fisheries, who opened the Kimberley aquaculture development zone at Cone Bay in August last year.

[Member's time extended.]

Mr M.H. TAYLOR: This zone will support an annual production of up to 20 000 tonnes of finfish per annum without significant environmental impact.

I also commend the expansion of aquaculture operations in Flinders Bay, Augusta, announced by the Premier in November. I congratulate the state government on the new marina, which is a game changer for the local community and economy. I experienced this marina firsthand when I visited the abalone farm a few months ago and dived on the farm. This project could see up to 100 tonnes of abalone being produced by the farm each year. To give an idea of the international value of this product, one kilogram of abalone is worth more than two tonnes of iron ore on international markets—and probably much more. Last year I visited Japan as part of a study tour to explore the opportunities and constraints facing the agriculture industry on an international scale. I also attended the world aquaculture conference hosted in Adelaide, which was a valuable opportunity to speak with aquaculture policy experts from around the world. I look forward to promoting aquaculture as an important industry to the continued growth and economic security of WA.

I note that the Aquatic Resources Management Bill 2015 was introduced in this chamber in March. Without wanting to foreshadow the second reading speech to this bill, which has not yet been given, I am very excited about this bill. The focus is to ensure ecologically sustainable development in Western Australia's living aquatic biological resources and ecosystems. It will achieve this by protecting these resources from overexploitation and the threat posed by diseases and harmful imported organisms, while encouraging and promoting the development of industries and activities associated with their use. Specifically, the bill will provide improved direction for the management of aquaculture activities in this state—something that I know the industry very much welcomes.

I would like to conclude with some comments on the Perth Freight Link, which is an incredibly important project and a key regional road that will transform traffic management in Perth's southern suburbs. It is needed to address the traffic issues of Fremantle's inner harbour over the next 10 to 15 years and will serve the planned outer harbour in the future. As the Minister for Transport said in this chamber this week, if we were running a world's best practice rail freight system, we could still expect a minimum of 70 per cent of freight to be moved by road. The reality is that the majority of freight moves by road, and as a government, we need to ensure that this freight movement is facilitated by an effective road freight network. There is currently no freeway access to the Fremantle port and that means hundreds of heavy vehicles travel along Leach Highway and South Street every day, stopping and starting with all their noise and their fumes within metres of homes and within metres of the Booragoon Lake. As a government, we do not think that is a good outcome for residents or for freight

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operators, who with every start and stop experience wear and tear on vehicles and incur productivity delays. We need a dedicated freeway-grade road freight network to service the Fremantle port and the southern suburbs. This is precisely what the Perth Freight Link will provide.

In May 2014, the federal and Western Australia state governments announced \$1.6 billion in funding to deliver this important project. This announcement has signalled a commitment to construct a high-standard freight connection to the Fremantle port that will improve road safety and reduce transport costs for heavy vehicle operators, while boosting freight efficiency and productivity, and improve freight access to the port. It will link in with the \$1 billion Gateway WA project, which is running a least six months ahead of schedule, and the \$1.12 billion North Link WA project, which involves grade separations at intersections on Tonkin Highway and the construction of the Swan Valley section of the Perth–Darwin highway. The Perth Freight Link will complete the strategic link in Perth's road network, connecting Reid Highway, Great Northern Highway and Great Eastern Highway in the Midland area to Tonkin Highway, Perth Airport, Kewdale freight hub, Kwinana Freeway, Stock Road and Fremantle port. The benefits of the Perth Freight Link include \$840 million in vehicle operating cost savings; \$164 million in safety benefits through freer flowing traffic movement; \$2.5 billion in travel time savings; \$244 million in reliability benefits; 2 400 jobs created; reduced traffic congestion within the regional road network; reduced traffic on critical sections of South Street by 20 per cent and Leach Highway by 10 per cent; the removal of an estimated 500 trucks a day from Leach Highway by 2031; a nine and a half minute travel time reduction; and an \$8.15 productivity saving per trip for freight vehicles from Kwinana freeway to Fremantle alone, bypassing 14 sets of traffic lights. Environmental benefits include 450 000 tonnes of carbon dioxide equivalent saved by 2031 and over 400 hectares of environmental offsets. This represents over 10 times the project's impact on native vegetation, which I remind members opposite was on land that was always set aside as a road reserve. Significantly, there will be improved access to the important Murdoch activity centre, including Fiona Stanley Hospital, St John of God Hospital, Murdoch University and Challenger Institute of Technology. The combined benefits of the Perth Freight Link will result in less congestion and noise; improved community amenity; safer neighbourhoods for families; better access for residents and road users in the Cities of Cockburn and Melville to Kwinana Freeway, Bibra Drive, North Lake Road and Stock Road; and improved access to the Fremantle inner harbour, and improved access between the proposed Fremantle outer harbour and the expanding Kwinana industrial area. The Perth Freight Link and connected Gateway WA and North Link projects will together service seven strategic centres. Compare this to the excuses Labor offers in opposition, which all come back to the “not in my backyard” argument.

I will provide some historical context. Roe Highway has been planned since the 1955 Stephenson–Hepburn report recommended a north–south freight link bypassing the CBD that would allow freight travel easily between the major industrial centres and ports without being forced to travel through suburban streets. Land was set aside way back in the 1950s and 1960s for this important regional freight network, but it was Labor that sold off the land reserved for Roe Highway 9. It was Labor that originally proposed the alternative route along High Street and Leach Highway. I hope that concerned Palmyra residents understand this and that only this Liberal–National government is exploring options with a different outcome. It is interesting to note that the member for Willagee ignores his constituents along Leach Highway to support constituents who bought houses next to the road reserve after it was reserved in 1955. As I was campaigning in the lead-up to the 2013 WA state election, it was very clear that the dominant single issue affecting business and individuals in the election of Bateman was the need for the extension of Roe Highway to be built, and this extension forms a key part of the Perth Freight Link. I thank my colleagues the Minister for Transport, the Treasurer and Senator Cormann for their efforts in this space. I know that they are acutely aware of the benefits that this project will bring to the south metropolitan region. The extension of Roe Highway has been desperately needed for many years now and has been championed by not only the Liberal Party, but also the City of Melville. I commend the Mayor of Melville, Russell Aubrey, in particular for his tireless advocacy for this vital piece of regional infrastructure.

In conclusion, I commend the Treasurer and the Premier on producing a budget for these economic times. This budget demonstrates this Liberal–National government's commitment to broadening the economy and backing Western Australian businesses to create jobs, while keeping the impact on households and businesses to a minimum. The investment in the key areas of health and education and in productivity-enabling infrastructure, and the increased focus on the key areas of science and innovation, will be of great benefit to the future residents of this fast-growing state.

MR T.K. WALDRON (Wagin) [4.10 pm]: I think I will be the last speaker on the Appropriation (Capital 2015–16) Bill 2015 and the Appropriation (Recurrent 2015–16) Bill 2015 before our outstanding Treasurer gets to his feet. I want to point out a couple of things. I congratulate the Treasurer. In a tough set of circumstances, I think this is a really strong budget for Western Australia. It has been said before, but the record investment of \$8.15 billion in the health budget, which is an increase of 71 per cent since 2008, and \$4.8 billion in the education budget, which I think is an increase of about 47 per cent, is outstanding.

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I want to mention disability services, which is an area of our community that needs looking after. I really welcome the increase in that area, which I think is 11.3 per cent this year. I think most people would certainly welcome that increase.

I think this budget has delivered a large and fair investment across government, across the metropolitan areas of the city and across country WA. We have come of age in the last few years across the city. The areas that I represent in regional WA have certainly benefited and now have that pride back. People can see a huge improvement in our country towns. The government has had to cope with an extra 450 000 people who have come to Western Australia. I think the member for Pilbara got it right today. I listened to him on radio today and to the responses to his comments, and I know that a lot of people have realised that what he says is true. There can be a lot of yelling and screaming, but what he says is right, and I congratulate him on his speech.

I proudly represent the electorate of Wagin. At the start, I got involved in politics to try to reduce some of the inequities that existed between the country and the city. In the first eight years that I was in Parliament, country WA got very little. I remember that I had nothing to talk about in my contributions to the budget speech, but in the last seven years we have seen a revitalisation right across country WA via, in particular, the royalties for regions program and also other government support, which I am very grateful for. I will highlight some of this revitalisation, but I will not go into detail, because a lot of my colleagues have already covered it and I do not want us to be here too long.

The Seizing the Opportunity Agriculture vision is really significant. We talk about diversification and research and development, and this \$300 million program will deliver that. In my area, the sheep industry research centre at Katanning and the grains research centre are key elements in agriculture. We have had some good seasons. We have some really good wool prices at the moment. When we see a downturn in what we get for our mining and oil and gas products, it is really important to this state that agriculture once again comes to the fore. As the member for Pilbara said, when people such as “Twiggy” Forrest, Gina Rinehart and the Walshes in Busselton invest in agriculture, it sends a really good signal. I am really confident about the future of agriculture and the important role it will play in our state.

The Southern Inland Health Initiative is really critical in my part of the world. The investment of \$108 million will upgrade the smaller hospitals, the little local hospitals and the nursing posts. This work is already underway in Lake Grace, Wagin and Kojonup and at the Tambellup nursing post, and I know that it is coming soon to Boddington. That investment, combined with the large investment in our big regional hospitals at Katanning and Narrogin, shows that our health situation has improved immensely. There is also men’s health, the expansion of renal dialysis services and telehealth, which is going to grow and grow. Telehealth is already changing the way we deliver health services in country WA.

Education is critically important. Through the royalties for regions program, we have tried to invest in residential colleges and high schools, particularly with the move of the year 7 students. I know there has been investment in Esperance, but in my area, the residential hostel in Narrogin and the Narrogin agriculture college are top class now. If members are ever in that area, they should have a look at them; they are fantastic. The Better Beginnings program and the Smart Start program, which was generated in my electorate, are fantastic early learning programs that we continue to support.

I want to mention sport and recreation. Obviously, I have always been focused in that area only because I truly believe that we have underestimated the value of sport and recreation for years. I am really proud of the support provided by the government, the Premier, the Treasurer and my colleagues to enable us to invest more in that area. It delivers not only outstanding health benefits, both mental and physical, which provide a saving in the long term, but also social benefits and other benefits to youngsters who do not normally get those opportunities, and that makes a huge difference in our communities. I strongly believe that. There are almost 50 000 kids involved in the KidSport program, which is part of the Sport 4 All program, and I think around 1 500 kids in my electorate are involved. It makes a big difference. Parents and people involved in sport are very supportive of it. There have been some fantastic facility developments. Just a couple of weeks ago, I opened a facility in Mt Barker. The Sounness Park redevelopment came about through a combination of royalties for regions, community sport and recreation funding, local government funding and funding from local sports clubs. When we work together like that—the locals drove it so well and planned it for so long—we get an outstanding result. It was a fantastic day for the opening of that facility, with a football game between Claremont and Swan Districts. That will serve that community for years.

It is really good to put \$150 million into the regional reform fund for special circumstances. I know that there are some ideas. I am sure that Aboriginal communities will be helped greatly in that area.

I think I heard the member for Kalgoorlie focus on tourism earlier. I agree with her. We are always looking for new industry in country WA. Tourism is an industry that we already have, but we need to grow it more, promote

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it more and capitalise on it more. There has been a recent investment in this budget to promote tourism. The regional events program that the minister talked about today is absolutely fantastic. Events in my electorate such as the Kulin Bush Races, the Bloom Festival, the Grapes and Gallops Festival in Mt Barker, the Boddington rodeo and the Wagin Woolorama are huge events that attract people to the community. They have long-lasting effects and they also bring communities together as they organise and raise money. It involves a lot of work, but it helps bring people together and it helps our communities stay together. I am really pleased with that.

I also want to mention the \$20 million for prescribed burning. That is really important. There have been some major fires in my electorate recently. There were two fires in Boddington, and last year's fire was huge. The fire at Bremer Bay a couple of years ago could have wiped out the town. A few years ago, there was a fire in Kukerin. Prescribed burning is really important. I am glad that the royalties for regions program has supported the state to enable that prescribed burning to happen in country WA. The one point I will make about that—I thank the Minister for Emergency Services, as I met with some people from my area—is about the coordination and cooperation between the Department of Parks and Wildlife, the Department of Fire and Emergency Services and the local volunteers. We have to make sure that we get that right because that is really important. There is a place for them all, but we have to make sure that we work together in the proper way, and I will continue to push that.

The one thing in the electorate over the years that I am really proud of is the provision of independent and aged-care living for elderly people. It is really important that we retain our elderly people in our towns and communities in country WA for the benefit of the community and, more importantly, for the benefit of their own families—grandma and grandpa can see their own children and their grandkids. We forget that these people have made our communities. They understand our communities and they have the experience there. They have done the hard work. We sometimes forget to involve them, even though they still have so much to offer our communities. Where would we be without them for volunteerism? They are fantastic. The independent units that are being built in country WA are absolutely outstanding. I would live in one tomorrow.

Mr W.J. Johnston: You're only saying that because you're getting close to it!

Mr T.K. WALDRON: That is right; I am looking to the future! It is something that I think about a lot. It is an outstanding program. I have recently opened up, over the last year, units in Mt Barker, Williams, Woodanilling, Tambellup, Kojonup, Gnowangerup and Pingelly. I could go on; there are a lot of them.

I do not want to take up too much time because we do not want to be late here tonight. I just want to mention a couple of other things. The member for Gosnells would be interested in this. I have not been a huge environmental man over the years, although I always like to think and believe that famers are probably some of the best environmentalists we have. Yes, we will always get the odd rogue, but, generally, most farmers rely on the land, and they want to look after their land and the environment because it is in their interests to do so. Most of them do. I acknowledge that there are always some that do not. I will mention a couple of projects quickly. The Yongergnow project—I did a statement on this—is a fauna reserve looking after the malleefowl in Ongerup. It is fantastic. If members are ever going through Ongerup, just take 15 minutes. It is a great little centre.

Mr C.J. Tallentire: I've been.

Mr T.K. WALDRON: The member for Gosnells has been there?

Mr C.J. Tallentire: Yes.

Mr T.K. WALDRON: It is fantastic. They have just expanded it and it is getting great results. Tomorrow I am opening up another one at Tenterden, which is between Cranbrook and Mt Barker. They have fenced off about 111 hectares, which is a big cost, but that is mainly to look after quendas and other native species by keeping the cats, foxes and the rabbits out. These little projects are driven locally, with the support of local Natural Resource Management groups and other such environmental groups. I really support what they are doing. They are doing a great job.

When I first came into Parliament there was a small town sewerage scheme. In my area I had about five towns on it. The first two got done and then it went kaput because at the Tambellup one there was a fair bit of rock and it cost a lot of money. For years I have been trying to get the Kukerin sewerage scheme up through the last government and our government. The Minister for Water is not here, but we have got it. It is only 14 and a half years, but we got there! Someone said to me, "Kukerin, that is only a little place. Why do they need it?" Why should the people in Kukerin not have decent sewerage? It is the same as Hyden. It is a new program; it is not the full deep sewerage. I forget what we call it now; it has a name.

Mr R.S. Love: Septic tank effluent disposal.

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Mr T.K. WALDRON: STED—that is the one. It saves a lot of money, but delivers a similar outcome. That is really important for those smaller places. Up in Hyden, we got to a bad stage with raw sewage on the road, and we cannot have that sort of stuff happening.

I want to mention Camp Kulin, which is doing outstanding work with people who are struggling and having problems in their lives et cetera. I acknowledge Tanya Dupagne and Greg Hadlow and everyone at the Kulin shire. It won a Premier's award and an Australian award. It is a fantastic program helping young people out of the city to turn their lives around.

Now that I have stood down as minister, I have a bit more time and I am going to put a lot of time into road safety in the wheatbelt. I congratulate the RAC for what it is doing. I congratulate the City of Albany and Mayor Dennis Wellington and all of his people; the local member, Peter Watson; the state government; the RSL and everyone involved for what they did for the Anzac Day celebrations. I think what they and Albany put on was fantastic for Albany and our state, and a great thing to project our state and our country. I thought it was done really well, for all those past servicemen. Congratulations. I think, like all members, I was really proud of all our own little services that we go through around our areas. Anzac Day is a wonderful day. It is a day we have pride in our country and something I really value.

Two little places, Dudinin and Moulyinning, have this year had their centenary celebrations. Those little places were pioneered 100-odd years ago. I admire them so much. They have contributed so much to the state. It is great to be able to support them in those celebrations.

I want to leave with one last thing. There has been a lot of debate about Healthway—I do not want to get into the debate—but with the reconstruction of Healthway, I think one thing it could look at, which is what we are all worried about in our communities, is the scourge of ice. It is up to the Healthway board, whoever that may be; I would encourage them to consider looking at ice. Healthway has done a great job with tobacco et cetera. Ice is causing huge problems and I think it is about education, and maybe there is a role for Healthway to assist for the benefit of our state and our areas. I just float that notion.

In the end I will just say that I love my region, I love the electorate and I look forward to a successful year.

DR M.D. NAHAN (Riverton — Treasurer) [4.24 pm] — in reply: I would like to finish off the debate and not take too long. I delivered a budget and a speech that dealt with most of these issues. I will try to answer some of the questions raised, particularly by members on the opposite side of the house, and address some of the errors espoused by members opposite.

This was a difficult budget in the economic context and the revenue impact that we face. These are just realities. We knew when we went into this year that we faced a significant change and that is that Western Australia has gone through the largest construction, largest investment in the history of this nation, let alone this state, of \$580 billion of new productive capacity put into this state. Investment peaked at about \$76 billion in 2011–12, and it was coming down. Projects end. It was coming down, and as a result there were going to be tens of thousands of jobs that were working on those projects up north in liquefied natural gas, iron ore and others that were going to be lost. At the same time, it was going to shift to production. Those productive assets were moving into export phase, so we are going to have a dramatic ramp-up of production. We knew that was going to happen. It was going to change the dynamics and the composition of the state in terms of types of jobs, and shift people from one type to the next. It is a challenge when that happens. We knew it was going to be a difficult budget, and then we were hit with the largest revenue shock to this state's history—at least on records.

The DEPUTY SPEAKER: Order member for Warnbro. It is just a bit too loud, thank you.

Dr M.D. NAHAN: We lost 13.1 per cent of our expected revenue in one year—or \$3.9 billion. Over the four-year period we lost \$10.2 billion, primarily because of iron ore. Our largest revenue source, 21 per cent by itself, saw its price drop 65 per cent. Oil and gas, our second largest royalty source, which, combined with iron ore, accounted for 25 per cent of our revenue in the previous year, dropped 45 per cent. As everyone on, at least, this side of the house recognises, we also lost another 15 per cent of our GST payments. Our GST relativities went down to 30 per cent. Then all our basic taxes—payroll, stamp duty and land tax—were flat. We faced it. What were we to do? The Premier has indicated repeatedly that, faced with those conditions and the budget revenue and expenditure situation we were in, any government would have faced a deficit. We did. We expected a deficit of about \$1.4 billion in 2014–15. That will be offset by the \$499 million we get from the commonwealth for compensation, somewhat, for GST—something that I and the Premier fought hard for. This is an issue that members opposite resisted. The Leader of the Opposition failed to stand up for Western Australia. He was not with us or he did not go over to the Labor Party side and argue the case, as Eric Ripper always did and always promised to do. That was an illustration of a failure of leadership on the Leader of the Opposition's side. He will be held accountable appropriately for that. We will have a deficit of \$2.7 billion next year. That is the estimate.

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Our royalty forecasts for iron ore are very conservative, probably more so than most of the forecasters, but that is what we are going to do; next year, in going forward, it will be \$47.60.

An issue that members opposite keep saying is that we should have, would have, and they would have, known that the iron price was going down. They could not predict the exact path, but they said that we should have known it was going to collapse like it has—or go in a downward trend. In fact, I think the member for Cockburn said that because I was an economist who had watched commodity prices, I should have known and gone to the back bench and apologised to the house. This was completely absurd. I tell members what—if I could predict commodity prices like that, honestly I would not be here; I would be on a yacht in the Mediterranean or travelling around the world. I am here, and I am not wealthy. It is completely absurd. They also said, “We told you; we told you; we told you!” Yes, they did—after the price started dropping. I have gone through *Hansard*, and I cannot find any indication that anybody on the other side of the house, particularly in the run-up to the last election, said anything about the threats or uncertainty of iron ore prices.

Mr S.K. L'Estrange interjected.

Dr M.D. NAHAN: I will shift right to the member for Churchlands' speech.

Mr A.P. Jacob: A good speech.

Dr M.D. NAHAN: Yes, it was a good speech. When members are in opposition, they can say anything and no-one listens. They can make it up, as we hear and see regularly. They can fabricate —

Ms M.M. Quirk interjected.

Dr M.D. NAHAN: No-one is listening. What opposition members say they cannot implement in opposition, so what does it matter? What counts is when we go before the people. Before the 2013 election, all parties—Liberal, National and Labor—were given by Treasury, as are the rules, a pre-election statement that indicated what the outlook for the state was to be over the next four years, including revenue and expenditure, deficit and debt. They were also provided with forecasts of the iron ore price. The forecast for 2012–13 was \$134, and it then went down to about \$127, and in 2014–15 the forecast was \$122.70, which is exactly the forecast that we took to the last budget. Did members opposite complain? Where were the Nostradamuses on that side saying that the price would drop? They were not there. The member for Victoria Park is right: Treasury put a caveat on that and provided to all parties a note that iron ore prices are highly volatile, that Moody's and Standard and Poor's had already put it on negative watch and that if the operating surplus was reduced significantly, that that risk could be downgraded. What did members opposite do? They went to the “Metronet budget” plus operating expenditure and committed \$7 billion worth of additional expenditure. Treasury gave the costings for only Metronet. The rest of it was not provided to Treasury, so we provided the figures for the whole commitment and they provided only one of them—the largest one. Treasury looked at it and said there was a real risk. Much of the land for the right of ways was not included, rolling stock looked inadequate and they did not include the increase in operating subsidies, but we accepted that. Treasury also ignored all of Labor's revenue offsets for good reasons. Do members know what the largest one was? Labor was going to exclude Roe Highway stage 8—it was not in the budget!

Several members interjected.

The DEPUTY SPEAKER: Order, members!

Dr M.D. NAHAN: During the election campaign, while Labor was saving \$700 million from excluding Roe 8, the Labor candidate in Riverton was putting out press releases signed by the Leader of the Opposition saying that we had broken our promise because it was not in the budget.

Mr P. Papalia: Are you worried about your seat?

Dr M.D. NAHAN: Not at all. Anyway, that is Labor.

Mr P. Papalia interjected.

The DEPUTY SPEAKER: Member for Warnbro!

Dr M.D. NAHAN: When Labor went in front of the electorate and had the chance to warn us about expenditure, to take what it said it would do and to —

Mr P. Papalia: You are in the green column already.

Dr M.D. NAHAN: When Labor had the chance to do what it said it would do, it went out with the largest commitment of expenditure I can remember of any state government. All the funding offsets were a joke—Treasury just ignored them. They would not even have met the expenditure reduction commitments that we had made and they would have led us to the same debt that we have now, and if Labor had met its commitments of

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Metronet, it would have led to, as the member for Churchlands pointed out, a debt of \$42 billion. Members opposite are frauds. They are straddling the fence. They say that we should have spent less and that they would have spent less while at the same time we heard them to a person criticising every expenditure cut we made.

Ms M.M. Quirk interjected.

The DEPUTY SPEAKER: Member for Girrawheen!

Dr M.D. NAHAN: Indeed, over the last seven years they have criticised us on every expenditure reduction, every tightening of expenditure and every increase in revenue.

Mr S.K. L'Estrange: Fraudulent!

Withdrawal of Remark

The DEPUTY SPEAKER: Member for Churchlands, withdraw that, please.

Mr S.K. L'ESTRANGE: What am I withdrawing?

The DEPUTY SPEAKER: You called the opposition frauds.

Mr S.K. L'ESTRANGE: I withdraw.

Mr N.W. MORTON: I clearly heard the member for Girrawheen accuse the Treasurer of lying on two occasions.

Ms M.M. Quirk: I said they were liars, which is different.

The DEPUTY SPEAKER: I do not think that is different. Unfortunately, I did not hear that but members know that the standing orders state that members cannot refer to members as lying, so I will take the member for Forrestfield's point of order —

Ms M.M. QUIRK: Further to that point of order, I did not say that he was lying.

The DEPUTY SPEAKER: Thank you for that explanation, member for Girrawheen.

Debate Resumed

Dr M.D. NAHAN: They are straddling a fence and they are going to get a giant wedge. On the one hand they said, "We are going to be fiscally conservative. We will not spend much money and we wouldn't have done what you did." On the other hand, they say, "By the way, every effort you make to reduce expenditure and raise revenue is wrong." Members opposite cannot have it both ways. I look forward to the debate. One of their other issues is they said we have had the highest growth of revenue among the states during this period. Do members know how members opposite got to there? They included their period in government when revenue grew on the annual average basis of 8.9 per cent. Under this government it was 5.1 per cent. The former Labor government was awash with so much money, and it was so surprised that it could not even spend it. I guess what it said was, "We are awash with money so we might as well take credit for it and say that we are fiscally responsible." When we came into government, wages were growing at 12.2 per cent. The idea that Labor was or would be more fiscally responsible than us on wages or expenditure is complete bunkum. Our budget strategy is to maintain our level of capital works and projects. Members opposite have tried to deny that that would support jobs, and they ridiculed the job numbers that we put forward. At the same time, they have accused us of slashing our investment program when all we have done is recognise in the forward estimates where costs have come down because the cost of construction has come down. The opposition argues that we should give that back and accept the higher costs. It is criticising us for cutting capital, which we are not doing, for failing to get efficiencies, which we are doing, and for maintaining a very large capital work during this period of very slack growth and demand for construction workers, many of whom are members of unions. We could have significantly cut our capital works program and in the process destroyed thousands of jobs, which is what the opposition is basically arguing we should do. We did not do that and we will not do it. We have been fiscally responsible.

Education is one of the issues that will be a defining element of the next election campaign. It is an area in which we hold the upper hand, and will continue to do so.

Mr P. Papalia: Don't they show you the polling?

Dr M.D. NAHAN: Yes, and we will continue to have the upper hand. Our commitments and record on education relative to members opposite is impeccable. During Labor's term in office, the number of kids in public schools did not increase at all but our figures increased by just shy of 19 000. We built a lot of schools. What was the opposition's response to the 44 new schools? We had to borrow for it but the opposition said that borrowing is bad; that is what members opposite do. Put it in context: Western Australia's expenditure per pupil in secondary schools is 35 per cent above the national average. Why is that? We provide more teachers—a bit—

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but it is because we have the highest salaries for the teaching profession in the country. The real question is: why would they be complaining about that? The member for Forrestfield expressed it clearly. If we want to improve the education system, we must first get teachers in front of every classroom, but we must make sure that they are trained and paid well.

Mr N.W. Morton: Number 1—resources.

Dr M.D. NAHAN: Number 1 is resources. I remember that in 2008, as the member for Forrestfield said, we did not have enough teachers, but I also remember, member for Forrestfield, that people were not going into the profession and they were leaving and retiring early because they were not paid adequately. We fixed that. I look forward to the debate on education. If the opposition chooses that debate—I am sure, with their union mates, they will—it will be fighting to our strength.

On the point of asset sales, the Leader of the Opposition as usual got a few facts, jumbled them together and got them all wrong. He said that we would sell the port of Fremantle and leave it as a monopoly. It is not actually a monopoly; it competes with other states. He also used the example of the Melbourne port, and said that there is a proposal to increase fees by 800 per cent. He should have read a little bit more, or spent more time on Google, because the Melbourne port has not been sold. The two stevedoring companies there are proposing to increase their rates by 750 per cent, but if that decision is made, it will be the decision of a Labor government, not done by privatisation. It has not been sold. It is owned by the government of Victoria, the fees are approved by the government of Victoria, and if they go up, as the Leader of the Opposition said they will, it would be a Labor Victorian government doing it. The legislation also said there has to be oversight. There is oversight. All of the increases in stevedoring fees have to be approved by not only the government of the day—in this case a Labor Victorian government—but also the Victorian Essential Services Commission, just as they would be approved here by the Economic Regulation Authority. Give the Leader of the Opposition a little information, and he will distort it to the negative and get it wrong.

The government has also been consistent about the TAB. We do not think that the state should own the TAB, but we will ensure that the industry comes on side and will be no worse off. We will not sell the TAB if it would be worse off. We will bring the industry alongside and we will make sure we take care of the industry, and for good reason: the TAB is in the business of selling products created by the industry. If there is no investment in the industry, there will be no product to sell and the TAB will have no value. It is as simple as that. I say to people opposite that these are very important issues because the TAB is under technological challenge. If Labor were in office, it would keep the TAB there because it avoids making the difficult decisions.

I now turn to the issue of diversification. People opposite say that the government has done nothing. During the last election, the Leader of the Opposition had Metronet. Now he has let loose his new theme, which is “metro hubs”. I do not know what they are; I think they are like Cockburn Central, which, by the way, already exists, whereby people are living near train stations.

Mr P. Papalia interjected.

The DEPUTY SPEAKER: Member for Warnbro!

Dr M.D. NAHAN: The government has significantly diversified the state economy, and the proof of the pudding is in the eating. As mining and construction jobs have been lost, employment has gone up; other sectors have filled the slack and that has led to Western Australia having the highest employment growth in the nation and the lowest unemployment rate—oh, excuse me!—excluding the ACT which has had a splurge on bureaucrats. The proof of the pudding is in the eating. Western Australia has a very diverse economy and is picking up the slack.

Let me highlight some of the things the government has done to help diversify the economy. Over the past few years, the tourism industry struggled. There were no hotel rooms for people visiting WA because a large number of highly paid miners were staying in hotels and for 20 years a new hotel had not been built. How could people from overseas come here? In fact, most of the overseas tourists coming to Western Australia were staying with family because they could not find a hotel room to stay in or pay for. The government’s policy encouraged the construction of seven hotels and WA finally has enough hotels for visitors to stay in.

The government has also invested heavily in the city. As the member for Pilbara said, before we came into government in 2008, Perth was known as “Dullsville” and the young were leaving this state. It was boring. Northbridge was not a place where people wanted to go. The government invested heavily to make the City of Perth, our capital city, vibrant. That investment encourages people to not only recreate and locate innovative industries in the city, but also visit from overseas.

Something that we have done more significantly than anybody else, something which is often overlooked, is slowly and silently attract the major resources firms—oil, gas and iron ore—to move to Perth. All down

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Mr Sean L'Estrange; Mr Nathan Morton

St Georges Terrace we can see all the major mining houses in Australia now located in Perth. Thousands of head office jobs were moved from Melbourne, Sydney and Brisbane to Perth. As a result, not only are those people paying payroll tax and making the city vibrant, but also work is being undertaken in Perth that focuses on the wider region. A large amount of the investment in the city has been specifically targeted at diversification and at building on our strengths. It has been a phenomenal effort, and one that took leadership. Of course, most of our capital investment has adjusted to the 400 000 people who have moved here, but we have also put a lot of effort into making Perth the vibrant capital city of the Indian Ocean region.

I would like to finish on one issue. People opposite talk down the economy regularly: it is all doom and gloom; we are going downhill. We are not. There has been an investment of \$580 billion in productive assets and WA will be producing the lowest cost iron ore in the world. It will continue to produce 700 million to 800 million tonnes of iron ore for decades, creating thousands of jobs. Liquefied natural gas production has doubled—tripled. WA will continue to produce LNG and be the second largest LNG centre in the world for decades. We have seen the head offices of all those firms in the regions move here and they will remain here because their assets are here. We have seen, as I indicated, large investment in agriculture and increasingly in urban development. This state has the lowest unemployment rate, has had the highest growth rate and has the highest employment growth rate, and we can be confident into the future that that will remain so.

We have been in government in a period that has transformed this state, and it will remain the engine house of the Australian economy. Members opposite might deny this and like to talk it down, but the opposite is true. This is a difficult budget, but it is appropriate for this time. It keeps capital works going, which underline growth in the urban area, and it keeps the impost on households and business to a minimum. The public sector takes a hit and we will run into deficits, but we will come back with a very large surplus in the out years; it will be \$2.2 billion in 2018–19.

Mr S.K. L'Estrange: And a better city.

Dr M.D. NAHAN: And a better city with refreshed infrastructure.

Mr S.K. L'Estrange: And a better state.

Dr M.D. NAHAN: And a better state. I commend the bills to the house.

Questions put and passed.

Bills read a second time.

Pursuant to standing order 222, bills and estimates referred to Estimates Committees A and B.