

INFRASTRUCTURE WESTERN AUSTRALIA BILL 2019

Second Reading

Resumed from an earlier stage of the sitting.

MR D.T. PUNCH (Bunbury) [3.52 pm]: I am very pleased to resume my comments on the Infrastructure Western Australia Bill 2019. When I left off before question time, we were discussing the parallels between the ABC TV show *Utopia* and some of the practices that existed up until the point when the McGowan government came into office. As part of that, we made a commitment to look at establishing Infrastructure Western Australia as an independent body to provide advice to the Premier about the long-term infrastructure needs of the state, as well as immediate infrastructure projects. I was commenting that the changes will not be easy for state government agencies or state government ministers, because this is about transparency, scrutiny and challenge. It is about assessing the priorities and the alternatives to a given piece of infrastructure. It is about challenging the consequences of not proceeding. It is about a rigorous and robust analysis and approach to infrastructure into the future. It is about more than individual projects. It is also about taking a strategic approach that looks at the synergy that can come out of individual infrastructure projects.

I want to talk a little bit about my own experience in the Bunbury and Murray–Wellington electorates where we have the Kemerton, Picton and Shotts Industrial Parks. In fact, there is a ring of strategic industrial land situated around a major port in Bunbury. Currently, Bunbury port is being assessed as part of the Westport strategy. Work is underway on the Bunbury Outer Ring Road, which provides a strategic link to ensure seamless freight into the port and a strategic link to the Kemerton and Picton Industrial Parks and, potentially, to Shotts. We also have the rail infrastructure and the commitment to thinking about rail into Kemerton and linking it back to the south west line. That provides a strategic approach to infrastructure by which we can build the synergies out of one project and add value to another. That is the thinking we need to have from the point of view of a state strategic infrastructure plan.

Mr W.R. Marmion: Will that include fast rail to Bunbury?

Mr D.T. PUNCH: I think fast rail to Bunbury is one of those challenges that comes out in *Utopia*; whenever people are feeling desperate, they prop up fast rail. We have to look at the outcome we need, which is about the efficient transportation of people.

As I mentioned, the Kemerton, Shotts and Picton Industrial Parks are very strategic pieces of employment land that provide a foundation for the development of industry around the south west into the future. They are strategically linked to the port with connecting infrastructure that builds efficiency between all those components. That is the kind of thinking we need to have and we need to ensure that we have certainty about how that can be rolled out over time from planning, approvals and financing points of view. They are critical elements of the proposed work for Infrastructure WA. It will provide clarity and certainty from not only a state government agency point of view, but also the point of view of industry, of potential major investors, looking at how and where they should invest, where they should build plans and how that might be supported by core infrastructure—not only hard infrastructure, but also the social infrastructure that exists within a community.

Infrastructure WA will have a primary responsibility to address the triple bottom line in its assessments. Does the infrastructure have a sustainable base? Does it meet social needs? Importantly, does it have an economic rationale? At the heart of all that is an issue of allocation. How do we best allocate state infrastructure resources to the benefit of the state, as well as to our local communities, and how do we do that in a responsible manner? They are the fundamental questions for Infrastructure WA. There is no doubt that infrastructure is gaining a much sharper focus as the state has grown and increased in complexity from both economic and social points of view, as competing demands have been juxtaposed with issues of the environment and particularly how we manage that within the concept of climate change.

I spoke earlier about the experience we had with royalties for regions. It started out as a scheme that applied funding but it had a fundamental allocation problem. It did not really start to get to grips with how to address that allocation problem until the latter years of royalties for regions when development commissions were asked to roll out regional blueprints. They were essentially documents that identified the needs with an economic base behind them in a particular regional area. Linked to the state strategic plan, which identified a series of economic zones, they were the beginning of a rational look at how we might allocate funding appropriately in the infrastructure area. However, unfortunately, we had nine blueprints—nine sets of competing demands within the royalties for regions space and nine sets of competing demands within what was left of the consolidated revenue budget. There was very little in the way of how we make allocation choices between those nine competing regional blueprints. I do not think that the previous government ever really got to grips with that in an effective way. There was an attempt to do it through the Regional Development Council and through the regional development department. Work was also undertaken on how to arrive at a state blueprint overall.

Infrastructure WA means that we take the concept of a state strategic plan and put it into a framework in which the governance is clearly independent of all the local concerns, local interest groups and political perspectives. The framework will be much more rational. It will provide independent advice directly to the Premier and to government at strategic and at individual project levels. I think that is a very significant step forward and no doubt there will be a lot of learning as we progress it and it goes through an implementation phase, but the end result is worth the pursuit—a perspective we need to get to regardless of who is in power in future. Putting rationality into infrastructure, providing certainty of investment and certainty of an investment climate in a way that meets community and environmental perspectives will be critical.

I mentioned blueprints. I think with Infrastructure WA there is a very good opportunity to build a relationship with regional development commissions in articulating a regional perspective into the whole agenda for the state's infrastructure. As a whole, the state will benefit from efficient infrastructure at both metropolitan and regional levels.

Debate adjourned, pursuant to standing orders.