

ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Paper

Resumed from 7 June on the following motion moved by Hon Kate Doust (Parliamentary Secretary) -

That pursuant to standing order 49(1)(c), the Legislative Council take note of tabled paper 2699A-H (2007-08 budget papers), laid upon the table of the house on 10 May 2007.

HON NIGEL HALLETT (South West) [7.31 pm]: It gives me pleasure to comment on this year's state budget. The Treasurer, Hon Eric Ripper, had the fiscal ability to bring down a state budget brimming with opportunity to capitalise on our current economic strength and to put in place a vision, along with the necessary building blocks, to ensure the future prosperity of the people of the state of Western Australia. However, sadly, he simply did not deliver. He and his government have once again missed this opportunity, and this has served only to further highlight their absolute complacency towards the future of this state and its people in the face of the most prosperous times we have ever experienced. The state is awash with revenue. We need only pick up today's *The West Australian* to see the headline about the extra budget surplus, in excess of \$2 billion, or look at the ABC news tonight. This will only increase, given the demand for our resources and the record surpluses expected into the future. We see in the 2007-08 budget, as well as on a daily basis, this government time and time again failing to make sensible investment choices now to produce the necessary social dividends for the future.

Once again, the people of Western Australia have been radically short-changed, and the Treasurer has produced a three-cylinder budget for his so-called V8 economy - a V8 economy with an enormous surplus in excess of \$2 billion, which the Treasurer would have us think is wholly and solely the result of this Labor government's astute and impeccable fiscal management of the state's finances. Of course, in reality, we are patently aware that it is in large part a direct result of Western Australia's highly motivated and competitive private sector - a private sector which continues to be sluggish with outrageously high levels of, for example, payroll tax, and which is given more layers of bureaucratic red tape to negotiate through. The fact that the private sector has managed to reach the heights that it has, however, is to be more than commended, given the fact that a Business Council of Australia report released last month shows that Western Australian businesses are being continually hamstrung by cumbersome bureaucratic requirements at almost every level, and concludes that they are dealing with the worst government-imposed red tape in Australia today. According to the chief executive officer of the Business Council of Australia, if this situation is not rectified through an improvement to the government's approach to making legislation, our economy will suffer. That is blatantly obvious to anyone who has tried to navigate this bureaucratic maze.

The economy of Western Australia is already suffering because of the myriad laws and regulations placed on those trying to run businesses in this state, with the mining industry being a prime example. How many billions of dollars are not being realised for this state because of the government's completely unnecessary impost on the businesspeople and the companies of Western Australia? It is particularly mystifying that this government continues to keep the mining applications approval process tied up with the ridiculous and unnecessary amounts of red tape that it has, given that the mining industry is such a huge revenue generator for the government and helps to keep those record surpluses coming in. I have mentioned this before and I will say it again: the recent figures show a backlog in the vicinity of 9 000 mining applications awaiting approval, and it is said that this figure could blow out to 15 000 by December this year.

The Fraser Institute, an independent Canadian economic research group, ranked Western Australia as the least attractive state for mining investment because of this government's policy, and the Chamber of Minerals and Energy has also said the same. Given that the resources sector underpins Western Australia's economy and the billions that we know have already been forgone by this state and its people, one would imagine that this government would be acting swiftly to rectify the situation, but obviously that is not happening. This situation is reprehensible, and the government is, in effect, holding the businesses, the people and the future expansion of this state to ransom by failing to act on this and to implement the reforms necessary to allow Western Australia to perform to its full potential.

The government must put in place strategies and infrastructure to ensure that Western Australia's economy and position are protected well into the future. There is no room for a "she'll be right" attitude and the complacency that we currently have with this government. The Carpenter government has certainly had fiscal fortune, but it is severely lacking the vision and leadership needed to march Western Australia's development forward into the future. The government needs to act now, as the Court government did in the 1970s. It needs to get some vision and take some risks to ensure the future of this state. There is a great chance to do this right now. However, this government will not capitalise on the great opportunities before it for the future benefit of Western Australia and its people.

One of the most obvious opportunities is to make a commitment to the Ord stage 2 project. The government has so far failed to provide any direction whatsoever on the development of the 16 000 hectares of land under this project. This has been highlighted by the recent crisis in the sugarcane industry, whereby the government's lack of action has left a big question mark over the future viability of a Kununurra-based operation. At this stage, we have the appearance of a government to which this does not matter and a Treasurer who said he had not been officially notified. I also question the commitment of the Kimberley Development Commission; it should be playing a pivotal role in ensuring the contribution of that sugar mill to the state's economy.

We have before us an opportunity to develop the vast water supply in that area to support the expansion of our agricultural industry and to create the food bowl of the north, as it has been referred to by others. There is a real chance to show some vision and to take the necessary steps to create a vibrant and sustainable future for the north of our state, and the government has the money to do it. It would not be very difficult, and I am sure that this government can see that. However, the government quite obviously lacks the impetus and the incentive to do it.

The good times continue to roll, and instead of showing the kind of strong leadership that we expect from a government presented with such a wonderful opportunity to harness the potential of the Kimberley region, we are seeing no action. The development of the Ord stage 2 project will not only benefit the Kimberley, but also provide huge benefits to the state and Australia as a whole. The government must, as soon as possible, commit to kick-start the development necessary to make the Ord a significant contributor to the Australian food supply and further ensure the prosperity of Western Australia. The government's lack of action to capitalise on this opportunity is facing us today. The government must take the lead on this issue, but I do not see anything vaguely resembling leadership.

Hon Kim Chance: What do you call the Ord Miriuwung-Gajerrong final settlement, if that was not leadership? It was a \$56 million investment by the state to solve something that your government totally failed to address. If that is not leadership, what is leadership?

Hon NIGEL HALLETT: That is not what I am talking about; I am talking about the CJ Ord River Sugar Ltd mill today and the cane crop that is sitting there waiting to be harvested.

Hon Kim Chance: How do you relate that to Ord stage 2? It has nothing to do with Ord stage 2. That is because the price of sugar is now half what it was last year.

Hon NIGEL HALLETT: I believe that the Minister for Agriculture and Food is quoted as saying it will cost in the vicinity of \$6 million to destroy the crop. Why are we not looking at getting those producers through this season?

Hon Kim Chance: How do you explain how the government caused the international sugar price to collapse by 50 per cent? That is why the sugar industry is in difficulty now. How did that get to be the state's problem?

Hon NIGEL HALLETT: Surely, we do not realise that just one week out from the sugar harvest.

Hon Kim Chance: I am afraid that that is what happened.

Hon NIGEL HALLETT: As I have said, I believe that community leaders such as the Kimberley Development Commission would have had their fingers on the pulse and would have reported back to the minister.

Hon Kim Chance: CJ's decision to close the mill was not announced until three weeks ago. Even then it was not formally communicated to the government.

Hon NIGEL HALLETT: If the Minister for State Development had his finger on the pulse, he would have been well aware of that and he would have related that information to the Minister for Agriculture and Food. The minister obviously has not done that.

Hon Kim Chance: I knew that myself. I was there in March. I knew what the problems were but CJ refused to be part of the mediation process.

Hon NIGEL HALLETT: If the minister was aware of it in March, I am sure he would have had contingency plans in place. The minister has been through ups and downs in rural areas before.

Hon Kim Chance: Yes, I did, but it was a commercial dispute. That is what people misunderstand. It was a commercial dispute between the growers and CJ. The government offered to initiate and fully fund the mediation process. The growers agreed but CJ never responded.

Hon NIGEL HALLETT: The minister has the ability to take over the mill at relatively the same cost as the cost of destroying the crop.

Hon Kim Chance: It was not for sale then.

Hon NIGEL HALLETT: It is now. The Minister for Agriculture and Food could make that decision today.

Hon Kim Chance: What an interesting proposition. Should we pay 100 per cent of the capital value of the mill when there is absolutely no intention by the growers to continue growing sugar? Should we spend \$6 million of taxpayers' money to buy the mill and then close it? It does not make sense.

Hon NIGEL HALLETT: The government is going to spend \$6 million of taxpayers' money to destroy a crop.

Hon Kim Chance: No, we are not.

Hon NIGEL HALLETT: How much will the government spend?

Hon Kim Chance: I think that the environmental management costs will be about \$3 million.

Hon NIGEL HALLETT: The quotes have ranged from between \$3 million and \$6 million. It will always end up on the high side. We could keep debating that, but we will not get anywhere until a decision has been made. It is a tragedy for the north of the state.

Hon Kim Chance: It is a tragedy, but the tragedy came about as a result of the crash in sugar prices.

Hon NIGEL HALLETT: That is right. We should not throw out the baby with the bathwater.

Hon Kim Chance: That is what is being totally missed here. It has nothing to do with Ord stage 2. If we had Ord stage 2, there would be twice as much sugar to destroy.

Hon NIGEL HALLETT: Anyway, I will continue.

Hon Kim Chance: Sorry.

Hon NIGEL HALLETT: That is all right. History has shown that this government is not overly concerned with what is going on outside the metropolitan area. The president of the Rural Doctors Association of Western Australia, Mr Rob Whitehead, said that he was concerned with that trend and that -

... people in the bush were being short-changed by Governments in favour of their city cousins.

All of the big ticket items are urban based," he said.

"What we've seen over the last year or two is a trend towards downsizing our hospitals in our smaller rural communities.

That is an observation of someone who is not in politics. However, given the way things look at the moment with the state of the health system, the cost blow-outs on major projects and the referral of major capital works programs like the upgrade of the Members Equity Stadium and the Riverside Drive development project in East Perth, it is obvious that finding a solution to the sugar mill is just another thing that this government cannot do. We will wait and hold our breath, but we will probably be breathless at the end of it. What will happen with Subiaco Oval? Will a decision be made?

This state government is continuing to tax us mercilessly. Tax revenue, particularly payroll tax, has been a major contributing factor to the average of 10.7 per cent per annum growth in government revenues over the past three years. Last year Western Australia's position surpassed that of New South Wales and now it holds the dubious title of being the least tax competitive state in the country. That, of course, is the direct result of a complete lack of meaningful tax relief and reform over the past few years. Some of the revenue should be given back to Western Australians in the form of tax cuts. Western Australians are constantly forced to pay more and more tax, only to see the revenue wasted on futile actions such as employing more public servants. A classic example which we have heard about today and which we saw during the budget was the relief provided for stamp duty on vehicles. Despite that, we are still seeing a record number of Western Australians going to Queensland to purchase their four-wheel drives before they head off on their holidays. What was the Treasurer's response to that last year? It was to change the legislation. Why not change the actual rates? Excessive tax affects everyone and the government's excessive recurrent expenditure only serves to limit the amount that can be given back in tax cuts each year. Government spending must be cut back because the government has failed to meet its expenditure control target for the sixth year in a row. However, there is no way that will happen unless a real effort is made to reform the public service by making significant staff cuts and major efficiency improvements. As many members are aware, most of the increased spending on the public sector has been wasted on backroom bureaucrats rather than on the delivery of front-line services. A good example of that is the Office of Shared Services. It is a government department that is not functioning. It is behind in its delivery of services and it has blown out its budget.

An article in *The West Australian* on Wednesday, 13 June 2007 reported that the number of public servants earning between \$100 000 and \$200 000 a year has increased by more than 40 per cent in the 18 months between June 2005 and December 2006. The figure has jumped from 1 653 employees to a total of 2 358. During that

period, 533 public servants received salaries of between \$100 000 and \$150 000, and 172 received salaries of between \$150 000 and \$200 000. In 2006, Labor employed an additional 3 629 public servants, bringing the total of full-time employees to 103 296. Interestingly, the number of full-time public servants employed in March 2007 increased yet again to 104 811. I find it interesting that the federal government can budget for meaningful tax cuts and yet this state government cannot.

It is reprehensible that this government is holding on to a surplus beyond what it needs instead of giving some back in the form of tax relief. It has been said that we are now seeing the introduction by stealth of new taxes under the guise of fees. The new charges for water licences are a good example. This government intends to raise \$5.8 million in water licence fees for assessing water licence applications, checking compliance with licence conditions, maintaining licensing databases, and for the management of appeals and community awareness. However, when I asked questions in this place relating to this figure, the answers provided showed that only \$1.8 million - not \$5.8 million - was required to deliver these civic services. Therefore, there is a \$4 million black hole in proposed fees, which basically amounts to a tax, as it is not related to the provision of a service. The government has a responsibility to create a sensible balance between tax cuts and infrastructure funding to bring fairness back into the equation. Revenues continue to grow but what have we got to show for it? Record stamp duty, payroll and land tax rates; continuing neglect of the education system; a mess of a health system; and a severe lack of investment in necessary infrastructure in rural and regional Western Australia are but a few examples. Country towns in Western Australia still do not have deep sewerage that they were promised up to 10 years ago. The government is constantly delaying the start of infill sewerage programs. Just recently an article in one of the rural papers in the Shire of Dumbleyung said that Kukerin Primary School, local sports grounds and businesses were regularly flooded with raw sewage because the antiquated septic systems there do not function properly in the predominantly heavy clay soils. According to the Dumbleyung shire president, in winter - I would bet the shire is waiting for a bit of winter at the moment - sewage flows freely across sports grounds during football matches. These are certainly not isolated incidents; there are countless similar examples of inferior sewerage infrastructure across this state. When I became a member of this house two years ago I mentioned Hyden; not one thing has changed there; Donnybrook infrastructure is being held back because of a lack of sewerage; and here we are with a budget surplus in excess of \$2 billion. The government's handling of the lack of provision of these kinds of facilities in regional Western Australia is appalling. Can members imagine these things occurring in the metropolitan area? Football grounds would be shut down immediately because of the health risk.

The government must provide for the present as well as the future. The expectations of Western Australians have certainly not been met in this budget. Again one of the most disappointing aspects has been that the future viability and sustainability of rural and regional areas has been ignored. Major capital works projects are again being delivered to the metropolitan area and those that are needed in rural and regional areas appear to have dropped off the radar. Although there has been a slight increase in the amount of capital spending in the regions in this budget, we must bear in mind that much of the regional infrastructure is in a very poor state. This is not about putting a bandaid solution in rural and regional areas. There must be a serious commitment from the government to replace the ageing and failing infrastructure in regional areas, and it must be addressed sooner rather than later. Wherever I travel in many regional areas I see hospitals and schools that were built in the 1960s and 1970s but have not been upgraded or replaced. At some stage a government of any persuasion will have a huge infrastructure bill to replace these hospitals and schools. Regional infrastructure is not receiving a fair share of funding from this state government. Not enough is being spent on hospitals, roads, water or sewerage; the list goes on. Recently in Hon Bruce Donaldson's electorate construction of the coastal road was put back to 2011. A decision on building that road has been going on for in excess of 10 years.

Hon Bruce Donaldson: They are going to build it - one to Lancelin and one to Ocean Farm.

Hon NIGEL HALLETT: Right.

Very little is being spent on development in the regions to encourage people to live there. Given that a large proportion of state revenue is generated in these areas, it is time that the government gave something back. It is amazing the number of senior people I come across throughout the state who say how much they would like to live in a place like Carnarvon, which has a great temperature, and that the only reason they do not is that there are no medical facilities there. We talk about decentralisation; why are we not capitalising on these areas that are good to live in and putting basic services, such as medical services, into them? Very little funds have been directed to the provision of necessary infrastructure to create development and sustainability in the regions. My electorate, the South West Region, is a classic example. The South West Region contributes around \$7.9 billion in gross regional product and has received an allocation of about \$240 million in the 2007-08 budget. This is roughly four per cent of the total capital works program and all that the government is prepared to commit to one of the fastest growing regional centres in Australia - four per cent. For a region with such a significant growth rate in national terms, this government has a social obligation to provide the people of the south west with a

certain standard of essential services and infrastructure. I can assure members that this is not happening. Schools that were promised funding in budgets years ago are still waiting to see works on the ground. I must mention Harvey Agricultural College again. It desperately needs funds to upgrade its vastly inferior infrastructure, yet again it has received nothing, and there are no future allocations in the budget. The state budget has just made another \$200 million surplus today. All we need down there is just \$10 million. The budget will probably make that much surplus again by the morning!

The government has spent almost \$2.5 million establishing a new agricultural resource centre in a Perth high school at Kelmscott. Although this is applauded, the fact is that the money will be spent on a city-based agricultural school, while the government continues to ignore regional schools that are in dire need of the replacement of substandard facilities. That is a real swipe at country people who are getting second-rate services. Bunbury Regional Hospital is another one that has received many promises but, again, has had nothing provided to it on the ground. People from towns all over the south west are being forced to travel to Perth for medical treatment when regional hospitals should have all the facilities necessary to take care of patients there. Yesterday on 6PR talkback radio I was listening to people from Karratha and the northern areas talk about what they must go through to get to Perth for an operation, and the costs involved and the ongoing dramas that go along with having a child with a disability. It is just not good enough. Urgent road upgrades are needed in Bunbury, Manjimup and Walpole, to name a few, which would go a long way to addressing the inherent major road safety issues in regional areas. However, once again, there is no commitment for that in this budget.

There is a dire need to greatly increase the amount of work being done to complete the infill sewerage program in the south west, but once again none of that is being addressed with any great urgency. From memory, I saw a budget in the Court government era of some \$96 million for the infill sewerage program. I have seen that amount drop down to somewhere in the vicinity of \$20 million. It must be said, however, that regional areas have fared slightly better in this budget than they have in the past, with the total spend up from \$1.08 billion to \$1.87 billion. However, far more revenue could have been directed from the surplus to address the urgent infrastructure needs in regional areas. One again, Western Australia's regional areas are being sacrificed to pay for the new Fiona Stanley Hospital, which the Treasurer says must be paid for in one financial year. This project has been fully funded out of revenue, instead of being part of the government's borrowing program. It could have been funded partly from surplus income and partly from borrowing, such as any normal business activity takes on. Why should the rest of the state suffer with inadequate facilities and miserly capital expenditure on much needed projects just so that the government can fund ongoing capital assets such as the Fiona Stanley Hospital and pay for it in one year? That mentality must be changed. That has also happened with the Mandurah railway line - it must be paid for in one year. We all know that it is being paid for in one year so that the bottom line will look good, but the deficit will start as soon as the first train runs. Spending on regional health services has taken a severe backward step this year; it has gone from \$61 million in 2006-07 down to only \$27.2 million in 2007-08. Once again a state of the art hospital is being planned for Perth, but where is the money coming from? It is coming from regional areas. It is obvious from these figures that rural and regional health services will suffer and that Labor has a metropolitan bias to ensure Perth has the best facilities. If people need health care, they must travel to Perth. That is a bit problematic for people who live in a place like Tom Price, who have had their hospital downgraded to a nursing post, or Kalgoorlie, Kununurra and a multitude of other places that are severely lacking a necessary and adequate health system. All a regional person can say is, "Thank goodness for the Royal Flying Doctor Service." The RFDS is being stretched to its limits because of an increasing number of flights. Approximately 2 700, or 21 per cent, of the 13 000 people currently on hospital waiting lists are in rural or regional areas. The provision of health centres of excellence in rural and regional areas could go a long way towards reducing the waiting lists for operations in metropolitan hospitals.

There has been an increase in spending on regional roads from \$236 million in 2006-07 to \$435.6 million in 2007-08. We know that this is one-off funding for the Perth-Bunbury highway; there has been little of any consequence allocated anywhere else. The Perth-Bunbury highway will have as much benefit for people living in the metropolitan area who like to holiday in the south west as it will for those in the Peel and south west regions. The government recently announced a land release at Amarillo; 90 000 people will live there. There will also be a much-needed release of land at Pinjarra; however, there is no funding for the Mandurah bypass. Taking into account the Boddington goldmine expansion and the more than 10 000 vehicles that travel through Pinjarra each day, it is obvious that anyone running a small business on the main street of Pinjarra will be under pressure.

The budget allocation for regional water and sewerage has gone from \$18.6 million in 2006-07 to a grand total of \$281.3 million in 2007-08. A bureaucrat must have woken up to the fact that there is a water shortage in the south and sewerage problems across the region. Perhaps if the government had stopped gouging profits from the Water Corporation in the form of dividends and putting them into consolidated revenue to fund a burgeoning public service, and instead had allowed the Water Corporation to invest its profits in infrastructure, there might

not be such a problem. On my home farm at Corrigin, the constant blow-out of water pipes and the bandaid treatment of the problem will lead to a total breakdown of that system. Although we are fortunate to have it, it is an ageing infrastructure and it is failing. The fact is that the Western Australian government stripped some \$362 million in dividends from the Water Corporation in 2005-06. This grab was actually the largest overall dividend taken by a state government in Australia.

Electricity has been given a belated boost, going from \$70 million in 2006-07 to \$120.6 million in 2007-08. However, the town of Denmark is a classic example of a town where funding is needed. I have spoken in this place before about the problems Denmark has with its ageing electricity infrastructure. As the Treasurer was delivering this year's state budget, Denmark experienced one of its numerous blackouts. Although funding for the Denmark hospital is to be applauded, there is no budget allocation for the upgrade of Denmark's inadequate power infrastructure. Jurien Bay and Walpole also suffer from the same dilapidated power infrastructure issues, and from the growing pains that are associated with those regions. It has prevented new businesses from starting up in those towns, and there has been no extra electricity allocated because the infrastructure can carry only the supply that it is carrying now.

I will provide members with some information I recently received in a briefing on Western Power's proposed headworks charges. For a business that requires 50 kilovolt ampere - for example, a light engineering business - the estimated cost to connect to the grid would be \$285 890 in Ravensthorpe or \$125 380 in Walpole. A comparatively high energy user such as a fast-food outlet or a restaurant - that is, using more than 100 kilovolt ampere - would pay a connection fee in the region of \$500 000. Although Western Power is keen to point out that the proposed headworks charges provide a realistic reflection of the true cost of reinforcement, they are quite unrealistic with regard to fostering sustainable regional development, which is supposedly the key aim of the Western Australian state government. Under the proposed headworks charge, Western Power has estimated that the cost of connecting a residential lot at Ravensthorpe would be \$19 000. The headworks charge for the connection of a residential lot at Hopetoun is currently less than \$1 000. Hopetoun is only 49 kilometres from Ravensthorpe, but the power system is run by Horizon Power. It appears that Western Power assumes that a subsidy will be forthcoming from the government, particularly to support industries for which headworks charges are high. However, I am not aware of any planning at agency level to facilitate this, or of any sentiment within the state Labor government to undertake any such planning.

The regional development commissions have not done very well this year. The only major item of expenditure was a one-off payment of \$2.5 million in 2006-07 for the rebuilding of the Bunbury cathedral, administered by the South West Development Commission. The only other spending of any note is the continuing expenditure on old projects, such as the Geraldton central business district and harbour revitalisation, the Albany Entertainment Centre, and the Bunbury Back Beach project. These figures may appear to show that lots of money is being spent on lots of things, but when it is examined more closely, they are projects that have been previously committed to by regional development commissions. There are basically no new commitments at all. Of the grants paid by the regional development commissions during 2006-07, 20 per cent was money provided under the Pilbara fund and financed by the private sector and its recurrent expenditure. There is very little left for the regional development commissions to provide. Unfortunately for the commissions and the regional areas they represent, they do well only during election years. We all know that that is a very convenient conduit for the government's pork-barrelling.

I turn to the issue of how agriculture has fared in this year's state budget. Agriculture was mentioned once in the Treasurer's budget speech. He stated -

Mr Speaker, these are just some of the major highlights of this year's budget. In 2007-08, we will spend a total of \$16.1 billion on service delivery, or over \$7,600 for every Western Australian. In addition to the major initiatives outlined earlier, this includes significant funding increases for disability services and environment and conservation, together with initiatives in agriculture and food.

It could be said that "agriculture" was a dirty word in this year's state budget. It demonstrates the contempt the state government has for our very valuable agricultural producers. The agricultural sector was allocated less than two per cent of the budget, which is an absolute disgrace. It is Western Australia's second largest export sector, after the mining industry, and it is worth approximately \$6 billion, of which \$4.2 billion comes from export trade. It employs almost 200 000 people. However, it was mentioned only once by the Treasurer. It is time the government invested some serious capital into Western Australia's agricultural sector, particularly with regard to biotechnology. Western Australia is already lagging behind in this area, and we will continue to lag behind without some serious investment in the expansion of this science into the industry. The government is sitting on its hands in the area of genetically modified crop technology, while other countries are using these crops to develop industries. Biofuels are a prime example. Western Australia will suffer further down the track as a result of not allowing trials of GM technology. There are areas in the state, such as Esperance, that are very keen to commence trialling of GM canola. Esperance is an area that can be isolated from the rest of the state's crops.

These are the kinds of advances we need to maintain agriculture as a major part of Western Australia's economy. It has a very long and proud history in this state and has gone a long way towards making Western Australia what it is today. Basically, any agriculture project that requires funding has been put off. Prime examples include delaying the relocation of the Department of Agriculture and Food's headquarters and research centre and the development of the integrated agriculture research institute, which has allowed the government to spend \$68 million elsewhere. I have asked several questions about the Muchea saleyards project, as did Hon Murray Criddle before my time.

Hon Murray Criddle: There mightn't be any stock to go in there the way we are going.

Hon NIGEL HALLETT: That could be true. The government has continually stalled on that project. The Midland saleyards continue to operate under substandard conditions and the Katanning saleyards are also in need of funds. However, the Minister for Agriculture and Food continues to say that there will be borrowings for them; however, he does nothing about them. Regional saleyards are experiencing similar problems. Indeed, pig producers have no auction centre at the moment. There is no commitment from the government to provide them with one. As I have said many times before, this government is not interested in rural and regional Western Australia. As can be seen in the 2007-08 *Budget Statements*, the government has failed to get the balance right when it comes to an equitable share of resources for Western Australia's regions. Western Australia's brilliant economic performance has not been created by the state government and its policies. The boom that we are experiencing is generating billions of dollars for the state, but it is also generating complacency on the part of the Carpenter government. Its lacklustre 2007-08 budget has been highlighted as such by most sections of the community. The budget has highlighted the government's lack of ability and vision in managing the finances of this state and in utilising the vast resource that it has at hand to build a secure and sustainable future for all Western Australians.

HON MURRAY CRIDDLE (Agricultural) [8.13 pm]: I welcome the opportunity to make a few remarks about the *Budget Statements*. I take this opportunity to outline some of issues that are developing around regional Western Australia that may well impact on the whole state economy. When this government came to power, state revenue was around \$10 billion, as I recall; currently, it is over \$17 billion and growing quite rapidly. In fact, recent figures suggest that we are looking at a surplus of over \$2 billion this year, which is fantastic for a Treasurer who has vision and who wants to develop Western Australia. However, the state government lacks a vision for the future. I am talking about a 10-year vision. When I was Minister for Transport, I initiated a road program that stretched over 10 years. I have a copy of that program in my office. Sadly, only a few of those roads have been built. That is a great concern to me and to the people of the state who are trying to progress their projects. I will talk more about that topic in a little while.

The estimated public net debt in the recent budget is \$5.8 billion, and indications are that that will grow to \$8.191 billion by 2010-11. That is a concern given that the government has a substantial surplus every year. I understand that the capital works program for the year is about \$5.7 billion. I have not been able to see any details about that program. When I asked for details both this year and last year, the Treasurer referred me to various ministers. The Minister for Fisheries, who is in the chamber, was good enough to provide me with the capital works program that falls within his budget, which was greatly appreciated. The government should provide a document that outlines the \$5.75 billion worth of capital works that is mentioned in this year's budget. I think the government is talking about \$21 billion over a four-year period. That seems to be growing; the original forecast was \$18 million or \$19 million. Project costs are increasing rapidly and the blow-out of each program is increasing at a great rate. Of course, that is partly due to the fact that we are developing some of our production rapidly and a lot of work is required. Those projects should have been built earlier. When I was Minister for Transport, I was severely criticised by the current Minister for Planning and Infrastructure for putting in place the opportunity to build projects earlier, of allowing debt to build up and of paying interest on that debt. What an enormous benefit that has become to the state, bearing in mind that the cost of building these projects has blown out substantially. The Cervantes-Lancelin road was estimated to cost \$34 million when I was Minister for Transport; that figure is now \$153 million. Unfortunately, we are about six months too late in putting that project in place. Part of the project was on commonwealth land - I refer to the old bombing range - and we could not get a clearance, so we missed out on putting that program into place. The government is in a fantastic position; however, a vision for the future would be beneficial. Last year's royalties amounted to \$1.7 billion. That figure will obviously grow. The National Party has made it clear that it wants 25 per cent of that money to go back into projects in regional Western Australia. We make no apology for that.

I want to get a message through to the Minister for Agriculture and Food. I recently made a couple of trips through the Agricultural Region. Yesterday, I was in Morawa and Dalwallinu. Today, I received word about a meeting that was held in Yuna that was organised by the Country Women's Association and reported on by the Dry Seasons Advisory Committee. The meeting discussed the difficulties being faced in the regions. When I left home yesterday morning, it was blowing dust. It will probably continue to blow dust for quite some time if

we do not get substantial rain. Since January, 8.5 millimetres of rain has fallen on my property, which is not a helluva lot of rain. Nobody would be surprised to learn that there is no green grass from Kalbarri - I was there on Saturday - to Great Eastern Highway. There is a good spot of green there, but the next good green spot is at Corrigin. That dry is now sneaking back into places such as Narrogin and Katanning. The state is in a deal of trouble.

There is a desperate shortage of stockfeed. I phoned the Grain Pool this afternoon to check my facts. I was told that feed barley is all that is left in the northern part of the state. Each tonne costs \$270 plus goods and services tax. Feed barley, which generally runs at about \$150 a tonne, has nearly run out. The only lupins I could locate were at the Metro Grain Centre in Perth. They are running at \$330 a tonne plus GST, which makes each tonne about \$360. That is not an economical way to feed sheep from here on. The good thing about all of this is that if one has a product to sell, stock prices are pretty good. Recently, wool prices reached a record level that has not been reached for quite a number of years. Wheat went to over \$US6 a bushel, which is as high as I can recall. Our dollar is reasonably high, which is a bit of a dampener. That is a substantial amount of money for a bushel of wheat. I am talking about US dollars, so one can add more to that for Australian dollars, which provides a substantial return. From that point of view, we are doing very well. We need production, but that is not likely to happen in some regions this year.

The other issue that raises its head is the environmental impact of the dry on the land itself. As I say, with the drift and unavoidable damage that will be done to that land, the environmental impact will be a serious problem. I ask that people such as the Commissioner of Soil and Land Conservation have a reasonable understanding of the situation as we go forward. I recall that a neighbour in my area took the opportunity after a substantial thunderstorm in the summertime to put some grasses on. Unfortunately, this was followed by some pretty severe heat conditions, so the grass did not come through and grow very successfully. He now has a very serious drift problem with his land. He tried to fix the problem, but he got himself into a worse situation. It is very difficult.

I will outline what happened when we were at the meetings in Morawa and Dalwallinu. We had groups of very responsible people at both meetings and some of the things that I will say have come from people who I regard very highly in the community. People at Morawa are under a great deal of stress. Some of the younger people in these areas - this is close to my heart - are going off the farm to find work simply because there will be nothing for them to do there. Fortunately, as the Minister for Local Government said when she was making her speech, there are other jobs for them. However, the trouble with the young people going to those very well paid jobs is, of course, whether they will come back to the farm when things get better next year. We are looking at no return now for about 18 months, so this year can be given away in terms of an income, and we will not have an income until the following harvest. These are really serious issues. I am not blaming the government for any of this; it is just the situation out there in regional Western Australia. As I say, to a large extent, the fact that the mines are going pretty well and younger guys can go off and get these jobs is very helpful. I was also at the footy on Sunday and people were telling me that soon our centre-half back and a couple of the other young fellas have to go. Obviously, our footy team is going to be decimated in the short term as well. That is one of the consequences of people having to leave to find a job.

The funding of rates for the Shire of Morawa also came up in discussions. People at the shire do not think they will get a full rate return, which will impact on the shire. We do not want to see them needing to put off workers. In that regard, the shire people were pretty positive: if we gave them some projects, they would be able to keep their personnel there and give them something to do. There are ways to do that. For example, the road from Wubin to Mullewa could do with a deal of work. If we spent some money on that road to keep people in the area, I think that would be a very good project. We did similar projects on several roads when I was the responsible minister. Locals did the job; they had pride in their work, were able to carry out some of the work, used their vehicles and got paid, so they had a return. It is a way to keep them in the district and to keep their minds off the difficult situation they face. One thing I said to the guys in my operation was that they do not want to stay on the farm all the time looking at blowing dust; they must get up and be positive. They need to do something that is beneficial not only in raising money, but also for them and their families. There are two sides to that aspect as well.

Another issue that came up was the federal government's exceptional circumstances funding. There is a requirement to nominate that a person has off-farm investments. One of the suggestions was that if those off-farm investments were used as collateral or assets to cover the debt on the farm, they should not be part of the assets declared as off-farm investments. In other words, those assets should be considered to be a farming requirement because they are used to fund the farm. That would allow farmers to get interest rate subsidies and the like and to access other benefits available for EC funding. That was a pretty sensible suggestion to look at.

They talked at some length about weather forecasting. I asked the minister about it the other day and he said that he had quite a deal of faith in forecasting. I must say that my faith in it is dropping off because we just have not seen the forecast results for our area in recent times. I think the forecasters themselves have come to the

conclusion now that the fronts will not make it through. Therefore, they are becoming very sceptical about forecasting rain for our area. A number of the fronts came up and just fell away. To say that we can have a long-range forecast that is completely accurate at this stage is something I very much doubt. At the start of the year, we had suggestions that it would be, first of all, a pretty good year, then an average year, and now, of course, all sorts of suggestions are made as to whether we will have a year at all in relation to crop return. Farmers could not base their operations on the current ability of forecasters. One thing these people said was that they want the investment in forecasting to remain and for the research to continue so that maybe in the future forecasts can be more accurate. The Minister for Agriculture and Food said to me that he thinks that if we could forecast the weather, it would be a good thing. I agree; we just need it to be a lot more certain than is currently the case.

I spoke about vision earlier on. People are talking about a long-term strategy for the revival of the wheatbelt, and I think that will be very important going forward if we want to keep people in the area. A Murchison-Gascoyne strategy was put in place some time ago, and maybe we need that sort of 10-year strategy with something immediate and something for the mid-term. However, in the longer term, we need to look at whether tax relief will be provided to let people actually get some money in the bank. Of course, that is something that involves the federal government, and some cooperation would be needed in that area. The Murchison-Gascoyne strategy involved both the state and federal governments, so that is one of the things we need to consider.

Mental illness was the other thing that was brought up by a couple of the ladies at the meeting. I had discussions with a person who has a very high position in rural health. The suggestion made was that general practitioners are not the best first contact for people with mental health issues. I can assure that person that everywhere I go people say that GPs are the best first contact for people who have a stress problem. I can assure members that with the way things are going, there will be a few more stress problems. Therefore, we need to be aware of the need not only for immediate contact, but also for continuing contact with these people.

Moving down to Dalwallinu, the point of view of people was that they wanted to deal more with local issues than talk about drought. My measure of it was that they were not in such a serious situation financially. The shire president opened his remarks by saying that they want to get rid of the three Rs - rhetoric, rigmarole and regulation. Their view was that if those things were gone, that would just allow them to get on with it. I guess this goes for all of us: if we did not put those things in place, we could get on with the job. They want some decisions made, so they can get active. That was the first message given at Dalwallinu.

There are a number of issues to deal with. I understand that Minister Chance is going up there soon, so I will outline a few questions that people want answers to when he gets there some time later this week or early next week. Obviously, he will get the message. They are talking about land access in Pithara, which is a town that people have just about vacated altogether. However, Pithara presents some opportunities with housing and so forth. Some native title issues have arisen that they want clarified and cleaned up, if possible.

We spoke about other issues, one of which was the cost of power upgrades for new residential and industrial subdivisions and for the expansion of existing businesses. Given the distances involved and the poor quality of existing infrastructure, the user-pays approach is a major impediment to development in those regional areas. This is the message coming straight from the people; it is what they are saying.

There needs to be a community service obligation component. If we want regional towns to grow, we need to make better use of the existing infrastructure and relieve the burden of services and facilities in the ever-expanding metropolitan area. The people in these areas are saying that if they are given services, people could go and live in these areas. That is happening in some cases. People are going to these towns because obviously the land is cheaper and they are quite happy to live in a safe situation. I will touch on that safety issue a little later because there are some problems arising in that regard.

With regard to the release of industrial land in Kalannie, the map of town planning scheme 1 for the Kalannie town site shows an area of uncleared land along Dodd Prior Road that is zoned industrial. The area is adjacent to uncleared land to the south of Wheatbelt Steel, which is seeking to gain access. It wants that land released. It is also prepared to spend the money itself. There is a clear indication that people want some land and they do not want to be tied down.

I mentioned the issue of being secure in the country. Problems are being experienced with the recent arrival of people who are responsible for an increase in antisocial behaviour. There has been an issue with police, but a new police officer has been sent to Dalwallinu. There was no housing for him, so that was an issue, but the shire found a house for him. Dalwallinu is pleased to have the extra police officer; he is needed because of the behavioural problems caused by some of the people who have moved to the area. An eye needs to be kept on that issue. There is also a requirement for a patrol officer. The police are responsible for about 225 kilometres of road throughout the town and to the north and the south. Volunteers from the Fire and Emergency Services Authority of Western Australia are also responsible for that area, but it would be very useful if there were a road

patrol officer there. The police also require a satellite phone for that area so that the officers can keep in contact; in fact, I understand that FESA has a satellite phone, so if they get together, they will be okay. However, the police need a satellite phone. I understand that the shire will want the house that has been provided to the new police officer back within 12 months, so there will be a housing issue at a later stage. Those are a couple of issues that I wanted to air for the minister because he will visit the area. Perhaps he will read my comments and take them on board. There was also a requirement for a phone at Goodlands. I am talking about a code division multiple access mobile phone. I know that the CDMA service is being replaced by the 3G service, but there is no service in that area. There are issues such as safety and the like that are of concern in that area.

I will now touch on the issue of road funding. I know that Hon Nigel Hallett has touched on this issue to a large extent. I asked a question about road funding, which Hon Adele Farina answered. I suggested in that question that some of the country road funding would be used for the Perth-Bunbury highway. In fact, that is correct. The minister's reply indicates that an amount of \$654.4 million has been allocated in the 2007-08 budget for expenditure on regional roads. An amount of \$115.4 million is to be spent on the new Perth-Bunbury highway, and the balance of \$539 million will comprise commonwealth funding of \$134.1 million; state funding that is down to \$402.2 million; and funding from other organisations that will put in \$2.7 million. Of the \$402 million allocated to major country road projects, just \$16.3 million will be allocated for a new bridge and approaches at Lake Grace, and no-one would argue about that because that has been required for a long time. That is out at the Goldfields Highway. A contribution of \$7.2 million has been made to the Mt Barker-Northam bypass on to Muirs Highway in the great southern. That project has been around for donkey's years; it has been required for ages. I am pleased that that money has come through. An amount of \$15.8 million has been allocated to the construction of stage 2 of the Broome bypass. That project also has been around for a long time. I understand that that is Gubinge Road, and the minister would know that well. An amount of \$41 million has been allocated to the continued construction of stage 2 of the Karratha-Tom Price road. That will be an enormous cost over time. That project was to be built in the previous term of this government. I think it was promised because the Speaker required it a long time ago, and it is still being built. An amount of \$24.5 million has been allocated to the construction of Indian Ocean Drive from Lancelin to Ocean Farms Estate. I understand that that construction will cost about \$15 million. Some money will be left over, and I hope the minister allows that money to be spent on that particular road. I also think that, with a bit of imagination, that is one area in which farmers could help. I do not want to hold up the project, but I would like those people to get involved so that some work can be done.

I have outlined the road funding, but a number of roads should have been built over a period. I have mentioned the Cervantes-Lancelin road. I have also spoken about Muirs Highway many times. It is a dangerous highway if ever there was one. There is a huge requirement for heavy haulage on Chester Pass Road in Albany. My colleague the member for Wagin tells me that stage 2 of the Narrogin link road has not been built. On the south side of town, a very big cattle feedlot, a big hay processing plant and piggeries have been constructed, so heavy haulage goes right through the town. The idea was for the heavy haulage to bypass the town. The previous government built half of the bypass, but it did not have the opportunity to build the other half. It will cost only \$2.2 million or \$2.4 million to complete the bypass. That construction well and truly needs to go ahead.

I will talk about a few projects in the country that need to be completed. Recently, we have heard about quite a deal of movement in the mid-west by the iron ore industry. The requirement will be to use the Oakajee industrial park. I will touch on Ord stage 2 in a little while. Multi-user infrastructure in these sorts of environments simply must be constructed. In this case, road, rail, gas and water infrastructure needs to be constructed in the Oakajee industrial site because it will be a multi-user site. I know that very big projects want to go into that area. It seems to be falling on deaf ears, but I suggest that the government have a good look at putting infrastructure into that area for multi-users. I am not talking about the iron ore giants. They have enough money to build infrastructure. An enormous amount of money has been made available to Murchison Metals Ltd and Yilgarn to build this infrastructure, and Midwest is saying that it will use Yilgarn's infrastructure. Enormous amounts of money are being made available in those areas. Of course, these companies have the capacity to build their own infrastructure. However, I am talking about multi-user infrastructure in the industrial site.

While I am talking about road and rail infrastructure, one of the most important issues at the moment is the Western Australian grain freight network infrastructure investment rail and road rescue package. That is what it has been called. The indication is that there will be a requirement for about \$800 million over 10 years. It is wrapped around the grain industry. I am talking about narrow gauge. Co-operative Bulk Handling Ltd is talking about priority bins, satellite bins and secondary bins. If money is not put into the network, it will contract. However, this package would allow most of that infrastructure to be maintained and used. I am talking about a contribution from the industry itself. It is a state government responsibility. I appeared before the Neville committee that came to Western Australia. The Neville committee is the House of Representatives Standing Committee on Transport and Regional Services. It looks at the road and rail networks and their connectivity - that is the word that is used - to the ports. That is an opportunity to gain some federal funding and it is one of the

things that the minister needs to look at closely in relation to the rail network. There is a requirement not only for the rail network to be upgraded, but also for the road network to be upgraded because heavy haulage needs to get to the CBH bins. We must understand that that is absolutely necessary. The grains industry generally produces about 10 million tonnes; there is talk of it going to 15 million tonnes. Ninety per cent of that is exported. About 25 000 people are employed in the industry and the economy benefits every year by about \$5.5 billion. It is not a small fry industry, as the Minister for Agriculture and Food would well and truly know; it is a very important industry and services to it through the methods I have just outlined would be very beneficial.

The original grain freight agreement concludes at the end of 2007 and will need to be renegotiated. If there is no potential for rail to be upgraded, I can see the costs increasing substantially. If the rail network were cut back, it would put enormous pressure on the road network, so some really level-headed, commonsense thinking needs to be put into the maintenance and upgrade of that rail network. It is about 10 years since there was substantial expenditure by the state on the re-sleepering of that network. Since the rail network was leased, substantially more iron ore, woodchips and the like have been carried by rail, and that has been very well highlighted by the iron ore industry in the Geraldton and Esperance regions.

Talking of projects around the place, I was invited to Kununurra last Thursday and Friday to look at industry there. I was very interested in the minister's comments with regard to the sugar industry and the like. Ord stage 2 is about the development of the north to a size that is critical for its future. There certainly needs to be some expansion up there so that industries can have viability. Expressions of interest related to stage 2 were put in in December, there were further discussions in March and more discussions two to three weeks ago, and now we have reached the stage at which negotiations with the sugar industry have collapsed. There are a couple of issues with the sugar industry, but I want to focus on the whole of that area because it is important that it expand and develop quickly. I had the opportunity to meet most of the people involved in the negotiations. I came away concerned about the loss of confidence there since the announcement that Ord stage 2 would not go ahead immediately and there would not be the opportunity for it to expand. People were saying that a couple of issues were holding them up. The first is the announcement that stage 2 would not go ahead; the second is that the GM cotton debate is raging up north. I think people up there have had a very good discussion about GM cotton and they are pretty serious about having a good look at it. The minister will be aware that GM cotton has been grown on research areas up there, and some experiments have been carried out. I have walked amongst it, so I know it has been going on.

The minister said just a moment ago that the sugar industry was in real difficulties because of the world scene. That is true, but agricultural produce has had fluctuations throughout time. We have a situation now in which we will not get any production in the agricultural region for a different reason. If there are fluctuations in agriculture and people walk away from it, I do not think there is any future in any projects. Iron ore prices will not stay at the levels they are now.

Hon Kim Chance: I was trying to illustrate, and perhaps I did not do it very well, that former sugar growers have made a choice to opt for other crops that have better gross margin out-turns. There is ample land in Ord stage 1 to more than fill the capacity of the existing mill of 480 000 tonnes. Growers have opted not to grow sugar but to grow other crops. They have already walked away from the sugar industry. There are only 12 growers left.

Hon MURRAY CRIDDLE: I am well aware there are only 12 growers. I am also well aware that the sugar industry has the opportunity to develop an ethanol plant and the opportunity for cogeneration into Argyle, both of which would add to the expansion of that industry. The sugar industry is producing 370 000-odd tonnes now. Yes, I talked to some of the guys up there and they say that the sugar industry is over, but in the sugar industry, the crop is planted now and growers get six years' worth from it. They say they get their return from the first crop and their benefit from the successive crops. The argument that there is no viability seems to be right if one does not take into consideration the opportunities for the future. The minister said that people have walked away from the sugar industry, but there are some incentives for people to go into growing sandalwood and developing other industries and to make a substantial amount of money given the current situation. In talking to the mill owners themselves - the Korean bosses, not the logistics manager, who is a very capable person -

Hon Kim Chance: He is indeed.

Hon MURRAY CRIDDLE: We talked to Eric and Bruce, the other two guys up there, and they indicated clearly that had there been an announcement of a move into stage 2, they would have been prepared to carry on.

Hon Kim Chance: This is part of the problem. That is precisely not what they told me. Can I tell you what they insisted on, just for the record? They wanted the government to insist that the growers sign a four to five-year contract on the Ord formula index, not the Queensland index.

Hon MURRAY CRIDDLE: It is very productive in the Ord.

Hon Kim Chance: But the Ord index is \$2 a tonne less than the Queensland index. They wanted a guarantee of 500 000 tonnes a year. Those are the three things: the Ord index, the guarantee of 500 000 tonnes a year and a four to five-year contract. The government cannot tell the growers to do that, and the growers were clearly unwilling to do that. All three of those things had to be achieved. Then the issue of expansion came up. There was also a matter about the port, which we probably could have managed. We cannot tell growers to do those things.

Hon MURRAY CRIDDLE: I understand that, minister, but when we get into debate about other industries, we need to understand the rules pretty clearly. I am not sure that they understand what the minister is saying. I have just outlined another scenario. I think people have to have a very clear indication of what is required and an outline of the way forward. If we are not careful and there is a loss of confidence, people will be putting their money into planting trees, and they will be taking over. It is a scenario that could happen.

Hon Kim Chance: I share your concern about that.

Hon MURRAY CRIDDLE: That would have ramifications for the area. People were installing trickle irrigation, which I think is a very good move. I think that has a lot of potential. However, these other opportunities are there and there is the potential for them to go ahead. I left there with real concern from the point of view of things going ahead. I think the government should revisit the 16 000 hectares for expansion pretty quickly. This is me telling the minister about the ideas I have come away with. I believe that the government should look at the road infrastructure, and it should also look at the extension of the waterway - the channel, M2. Bridges are needed, and power probably has to go in. I am not saying that it should be put throughout the area, but to the corners of it. From the indication I have, that sort of infrastructure would cost about \$200 million over four or five years. It would not be immediately; it would be over a period. I would have thought that that would put some confidence back into the region. Therefore, I encourage the Minister for Agriculture and Food to keep an open mind on it. I know that the sugar mill is one aspect of it, but there is another aspect. There will need to be some broadacre-type underlay production.

Hon Kim Chance: Again, for the record, I assure the member that I am as fully committed to stage 2 as I have ever been. We all got a bit of a shake, I think, with sugar, because we all expected that sugar had a future there, and now there is not much confidence in that. However, I am still as committed to stage 2 as I have ever been, and so is the government.

Hon MURRAY CRIDDLE: I am pleased to hear that there is that commitment. As I said, I left there with a bit of a heavy heart, I must say.

Hon Kim Chance: We all feel a bit shaky at the moment.

Hon MURRAY CRIDDLE: Yes. I am just putting to the minister the issues that I believe need to be put forward. I will leave the minister alone at that point, and I will go on to the Minister for Fisheries.

Hon Kim Chance: It is a good point.

Hon MURRAY CRIDDLE: The Minister for Fisheries would probably know that there will be a meeting on Wednesday afternoon at Jurien Bay, and I understand there will be another one at Dongara, at which the following issues will be discussed: the wetline review and what the fishermen are missing out on. I guess that is from the compensation point of view, so the minister will need to have some answers about that. I understand the minister's position; I have listened to it many times. The fishermen are asking for that compensation. The meetings will also discuss the pot-caught fish being returned as a waste product. The minister outlined that today, and I understand it very clearly. However, these are the points that the fishermen are putting forward to me. The next issue the meetings will discuss is the integrated fisheries management. This is to do with amateur fishermen. I received a bit of a lecture from the amateur fishermen after asking the minister the other day the question about the five species and whether the amateur fishermen would have a cut similar to that of the professional fishermen. I received a bit of a beating over that, with the amateur fishermen saying that maybe they will have to take a cut of 50 per cent. However, after having the briefing with the minister's advisers and with the knowledge that I have now, I believe that it would be useful if those people clearly understood the position with the finfish, because we do not want a situation in which there are no fish around the place at all. I understand the position from the minister's point of view. However, those fishermen are saying that the minister is driving a wedge between the amateur and professional fishermen. That is a matter that needs to be addressed. I see the minister shaking his head. I understand from that - I should not put words into the minister's mouth -

Hon Jon Ford: Only with some people. It is about sharing the responsibility.

Hon MURRAY CRIDDLE: Yes. I am just saying that these matters are on the agenda up there. They are talking about input controls, and obviously quotas will arise from that also. I believe there will be an interesting discussion up there, and I would like to be present to hear what those people have to say. We will probably bring the message back to the minister.

The final issue that I will touch on is that of the education system at present, particularly with reference to my home regional centre of Geraldton. In Northampton the other day, a mother came up to me and gave me what she said was an exercise given to her from the Schools of Isolated and Distance Education program for a year 10 student. In discussions with some people who should know, I have been told that these are level 1 exercises and that students in year 10 should be doing level 4 exercises. I will take it from my colleague beside me, who is very skilled in these areas.

Hon Peter Collier: Year 10 should be doing level 4.

Hon MURRAY CRIDDLE: My grandson, who is seven years old, could do this on his ear. It says -

Read the first sentence. Use two other subject nouns for the sentence given.

- (1) Boys play games.
- (2) Girls play games.
- (3) Children play games.

I am dumbfounded at this. I hope that the minister asks me to hand him these bits of paper. These children are going into a stream that takes them to university from year 10, and that is not a good signal. As I said, I have no idea at all about education, but I know that that is not good enough. There are three or four exercises on these bits of paper that just blow me away. One states -

Read the first sentence. Use two other action verbs for the sentence given.

- (1) Patches chases her tail.
- (2) Patches sees her tail.
- (3) Patches hurt her tail.

This is year 10. That is not good enough for me, and it is not good enough for the parent who gave this to me. She is very concerned about her year 10 student, who is hoping to go to university. I hope the message gets to somebody that that must be improved.

I have covered a number of the issues that I wanted to cover. The Minister for Agriculture and Food will no doubt receive an indication of some of those issues. I understand he is going to Dalwallinu shortly. I have outlined some of the questions that the people there would like answered. If some people get hold of this speech, the minister can take the answers up to them.

Hon Kim Chance: I will make a point of reading it.

Hon MURRAY CRIDDLE: I believe the minister has an indication of what the issues are. However, it would be useful if, when the minister arrived there, he gave them an indication that there is an answer around the place. Even if they do not like the answer, at least the minister can let them know what the issues are.

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