

## **ESTIMATES OF REVENUE AND EXPENDITURE**

### *Consideration of Tabled Papers*

Resumed from 19 June on the following motion moved by Hon Simon O'Brien (Minister for Finance) —

That pursuant to standing order 68(1), the Legislative Council takes note of tabled papers 4536A–F (budget papers 2012–13) laid upon the table of the house on Thursday, 17 May 2012.

**HON ALISON XAMON (East Metropolitan)** [5.34 pm]: I rise tonight to make comment on the 2012–13 state budget. I note that the last budget before an election traditionally holds very few shocks for electors. So in that sense, this budget is unsurprisingly not particularly inspiring or overtly controversial. But from my perspective, the budget remains terribly disappointing. It is disappointing in that I believe it completely fails to address the major challenges currently faced by Western Australians. Those challenges are primarily the challenges presented by the mining boom, and the growing gap between the haves and the have-nots in this state. We are constantly being told about how well Western Australia is doing, and in many ways we are doing amazingly well. We have the lowest unemployment rate of any state, which at an average of four per cent is well below the current national average of 5.2 per cent, and our labour force participation rate, at 68.9 per cent, is also the highest of all the states.

I note that CommSec's "State of the States" report released in April found that Western Australia leads the nation on economic growth, construction work, employment rates, retail trade and equipment investment, and that construction work in the state is at a stunning 82 per cent above decade averages. We know that this growth is underpinned by the mining boom. I want to acknowledge from the outset that we do need mining. We need the resources that we can access only through mining. We cannot have the high technology, sustainable green society of our dreams—or at least the vision of the Greens—without the mining industry. But, equally, we cannot be in a position in which our entire community is serving the mining industry rather than having the mining industry serving us. Over the calendar year ending December 2011, the value of the mining industry grew by more than 16 per cent to \$107 billion. The estimated value of resource projects that are under construction, committed and/or planned, is over \$300 billion. Mining and petroleum exports are worth 92 per cent of Western Australian exports. The estimated income from royalties for the 2012–13 year is more than \$4.8 billion. Royalties are a recognition that the resources of the state belong to all of us and that the wealth that these resources bring must be shared with the community. In 2010–11, 86 400 people were directly employed by the mining industry. That is 7.1 per cent of employment in this state. In comparison, Queensland mining provides about 2.7 per cent of total employment.

There is no doubt that many are benefiting from the mining boom, but I want to remind members tonight that many more are not benefiting. If we factor in three external jobs for each mine worker, that makes 259 200 workers, out of a total employment in Western Australia in May 2011 of 1 234 100 people. The wages of people who are directly employed in the resources sector—this is from the last 90 days job listing averages from 14 June—are over \$140 000 in every field, and average over \$160 000 overall. In contrast, the average wage in retail, when calculated in the same way, was only \$50 000. People on disability support or age pensions may be trying to survive on half that amount, or even less. According to the Western Australian Council of Social Service "Cost of Living" report released late last year, from 2007–08 to 2009–10, the weekly income available to low-income households in Western Australia for food, utilities, rent and other daily essentials decreased by \$18 to \$457 a week. In the same period, the weekly income of households in the highest income quintile increased by \$267.

I want to focus today on what happens to those people who will never be able to benefit from the mining boom—those people who get left behind in the midst of rising costs and tightened rental markets. I specifically want to focus on those vulnerable members of our community who suffer the most—that is, the long-term unemployed, people with disabilities, people with serious mental issues, and people on low incomes and on government benefits, whose incomes cannot keep pace, and are not keeping pace, with the rising cost of living. It is clear that not all Western Australians are sharing a piece of the prosperity that is flowing to this state from the current mining boom. The gap between the haves and the have-nots is disturbing, and it is not getting any better. Western Australia has the highest income inequality in the country. That is not something to be proud of. The minimum wage relative to average weekly earnings has been declining consistently. In 2000, the minimum wage in Western Australia was at 49.8 per cent of average earnings, yet now it is worth just above 41 per cent of average weekly earnings. The consumer price index might be low, but that is not an accurate reflection of the cost-of-living pressures placed on the low paid. The cost of living for low-income households in Western Australia has been rising faster than wages. We know that the cost of many basic essentials has risen by much more than the CPI. For example, from 2009 to 2011, the cost of food and rent went up by seven per cent; electricity went up by 36 per cent; gas and other household fuels went up by 31 per cent; water and sewerage

went up by 17 per cent; health went up by nine per cent; public transport went up by six per cent; education went up by 13 per cent; and insurance and financial services went up by nine per cent.

Geographically, there is a high proportion of low-income households along the eastern urban fringe, in disproportionate numbers. People in my electorate of East Metropolitan Region are struggling to make ends meet. These people are receiving little from this budget. Increases in electricity tariffs and water charges will lead to an annual expenditure increase of around \$163. There may be only a modest increase to electricity prices next year. However, the projected increases out to 2015–16 are substantial and are likely to have a devastating impact on low-income households.

One of the strongest indicators of the huge divide between the haves and the have-nots is the increasing rate of housing stress and homelessness. I wish to mention what is happening with accommodation in this state. There is a serious housing affordability crisis in WA. Housing has now become the biggest cost-of-living pressure facing Western Australians. The price of homes for rent or sale is rising faster than incomes. The median house price is now seven times the average annual income, bearing in mind that the international norm is three times the annual income. We are on track for the number of civil property repossession this year to be the highest ever recorded, with the Supreme Court figures recording 1 150 repossession applications lodged since the start of the financial year through to May, according to Legal Aid. These figures present a stark indication of the sorts of pressures that we are starting to see affecting WA households.

Many Western Australians cannot afford to buy their own home, but for many renting is also no longer a viable option. The rental market is incredibly tight and according to the Real Estate Institute of Western Australia the vacancy rate for the three months to May 2012 was only 1.7 per cent. Even people on fly in, fly out incomes are reportedly living in cars, tents or other people's garages because they cannot find rental accommodation. Those lucky enough to find a place to rent are increasingly finding that it is not affordable. In April this year, Anglicare WA ran a "Rental Affordability Snapshot" to survey available private rental properties and the results were shocking. I quote from the report —

For single people on Newstart or the Youth Allowance no properties were affordable in Perth.

Only two properties out of the 3 828 properties were affordable for families on benefits. Less than one per cent of the market was affordable for singles and single minimum-wage income families. This data will not come as a surprise to many members in this place. People contact my office frequently and tell me their personal stories about how hard it is on the ground to find somewhere to live. But the fact that it is unsurprising does not mean that it is okay. In fact, I would argue that it is worse. It is not only pensioners and people who receive Centrelink benefits who cannot afford accommodation in Perth; other findings from the report included that less than two per cent of the market was affordable for families existing on a minimum wage in Perth. The report also presented a bleak picture for Western Australians living outside Perth, stating that —

*"The North West has no affordable private rentals for low income earners, nor for those on benefits."*

Although it is extremely difficult to get accurate up-to-date statistics for the number of people who are homeless in Perth, we know that the rate is increasing. According to the Youth Affairs Council of WA, some homelessness services are reporting a 90 per cent turn-away rate due to the lack of beds. The waiting list for public housing has blown out of all proportion. New housing initiatives introduced by this government, including those targeting people with disabilities and serious mental illness, are certainly welcome, but the reality is that they are not anywhere near enough. In many cases, the rollout on the ground and the timing has been very disappointing. These initiatives will not do enough to reduce the time people are stuck on the social housing waiting list, which has grown from 113 weeks last financial year to 121 weeks in 2011–12 and which is predicted to increase to 134 weeks in 2012–13.

Housing is a basic human right; a home is critical to wellbeing, family life and employment opportunities. If people do not have a home, this has significant long-term impact on lives, health, children's education and employment. As a community, this is something that we should be very concerned about. There is no question that people's familial relationships are placed under strain when they experience something as fundamental as housing pressure and when their finances are stretched. Financial pressure is a significant risk factor for family breakdown and can also be associated with increased drug and alcohol abuse, domestic violence, homelessness and mental health issues.

Obviously, there are many complex reasons for why children need to be taken into care. However, despite the boom, we are seeing increasing demands on our child protection system. I note that the number of children in care last year rose by six per cent and by four per cent the year before. I understand that the department is predicting a further 7.5 per cent rise next year. In December 2011, 3 641 children aged under 18 years lived under the Department for Child Protection's care in WA and family support cases managed by DCP or by referral to community sector agencies increased by 184 per cent. The number of families receiving more

intensive family support services increased by 53 per cent. Incidences of family and domestic violence reported to police have increased from 34 000 to approximately 44 000 annually.

The fact that the benefits from the boom are not flowing through to everyone puts an increased strain on our child protection system. The minister has acknowledged that DCP will see more struggling families and be called on to protect more children over the coming year. I find it appalling and distressing that in this economic climate, there are women who are in danger of losing their children or not getting their children back because they cannot afford roofs over their heads. Many families have begun that downward spiral into dysfunction because they are being left behind. I am appalled that our amazing foster carers and grandcarers can barely survive on the allowances that they are given.

I refer to mental health. Many marginalised groups are under particular pressure from the current economic climate. Many, such as the seriously mentally ill, have experienced significant unmet needs for a long time. These people may never be able to take advantage of the opportunities that the mining boom presents. Again, these people are affected by the increased cost of living combined with housing pressure. This disproportionately affects these groups. There are simply not enough services on the ground to meet the demand; they just do not have the capacity to take any more pressure. There are some welcome initiatives in the budget for these groups. In particular, I am thinking about the declared place funding for people with intellectual and cognitive impairments, although they may not have mental health issues, and the mental health court. I and others have campaigned for those for a number of years. It is heartening to see that there is finally movement in this area. However, the court in particular will not be successful without adequate accompanying services and without coordination and good follow-up of unwell people through the mental health system, which is already under enormous pressure. Establishing a declared place is less than half the job done until the government moves to remove all the flaws in the Criminal Law (Mentally Impaired Accused) Act 1996. Of course, we will also need to see some movement on a more suitable declared place for those with profound mental illnesses who are also on custody orders.

Despite these initiatives, the boom is not making life better for people in the mental health system. There are still too many gaps, including in acute and community-based services and accommodation. There is not enough coordination and follow-up and for many people the pressures of this boom state mean that their personal situations are getting much worse, not better.

I would also like to comment on what is happening with pay equity in this state. The widening gap between the rich and the poor also places a great deal of extra pressure on our community services sector. They work tirelessly and innovatively to deliver services and they work very hard to make their meagre dollars stretch that little bit further. However, many of them face overwhelming need, and turn-away rates for the services are high. Employees in the sector are often being left behind financially as well. The sector is made up disproportionately of women and their wages continue to be significantly below comparable positions in the public service. Despite the booming economy, WA continues to experience a high pay equity gap, and at 25.8 per cent, our gap is still far greater than the 17.4 per cent national figure. Clearly, more needs to be done to combat the disadvantage disproportionately experienced by working women. I acknowledge that the improved funding to the community sector, which continues in this budget, is a positive but it is not enough. It was never going to be enough. I have seen nothing at all inspiring in this budget on the issue of pay equity from any of the ministers who have responsibility for addressing this issue.

I have been focusing my comments on the budget so far on those who are not able to take advantage of the mining boom. However, I recognise that it is not necessarily an easy ride for those who do take a job in the mining industry. I want to acknowledge that these workers work long hours in difficult conditions, often for significant periods away from home. They get a good pay packet but they mainly live in a tiny room in a camp. They miss out on family milestones and celebrations and they risk not being around for the good times or bad times when their family needs them. The pressures placed on families who have fly in, fly out rosters with long periods away are significant. An issue that I have taken great umbrage with is that in addition they then have to put up with being demonised by politicians. They are vilified as contributing to social and economic problems in regional areas. They are portrayed as “cashed up bogans”, a term that I utterly despise. They are told by public and private commentators that they are responsible for destroying regional towns and that they and their children will have mental health and behaviour issues as a result of the economic and lifestyle choices they have made. We criticise them for trying to get ahead financially. That is extremely distressing. We really need to reconsider the way that we are characterising these families.

I wish to make some comments about training. The boom does present opportunities for many, not all, as I have already noted, of our young people but too many are still being left behind. Our youth homelessness rate is high and the full-time youth unemployment rate is rising. There are pockets where this number is terrifyingly high. The training sector plays an important role in access to employment, particularly to employment associated with

the mining industry, but there is a big question mark hanging over our training system. We know that the government intends significant reform, increased competition and privatisation, and that there will be more changes to fee structures but we are waiting to see what will happen. Jobs created by the boom should stay here to benefit us. It is crucial that the mining industry provides opportunities and benefits for Western Australians first and foremost. Employer groups anticipate staff shortages of more than 200 000 workers by 2020. It is essential that Western Australians can access affordable training that will allow them to share these employment opportunities as a matter of priority.

I will now make some comments about transport. More failed opportunities to use the boom to address inequity and access are obvious in the public transport area. Cost-of-living pressures for low income households have a direct impact on transport. My electorate of East Metropolitan is particularly vulnerable to petrol price rises. We are particularly poorly serviced by public transport in our outer metropolitan areas. The budget does not address this. There are lots of missed opportunities for public transport in the eastern suburbs, especially around the airport. For a long time Kalamunda residents have been calling for public transport options to be integrated with the airport expansion. We still do not have a train line to the airport nor any dedicated planning for one, despite the airport getting increasingly busier. For the year to 30 September 2011, Perth passenger traffic grew by 9.3 per cent. The Perth to Newman route was the fastest growing in the nation, jumping 24.1 per cent. Routes from Perth to Sydney, Melbourne, Brisbane, Kalgoorlie and Karratha were about 10 per cent busier.

It is a bitter thing to drive slowly down Great Eastern Highway, see all the eastern gateway work happening and know that there is to be no other means of transport, such as light rail, to the airport installed along that road. I got stuck on that road again this morning. If the government had committed to putting in light rail instead of widening that road, it would have been an absolute vote winner. The roadworks are majorly disruptive but people would have happily worn that for the introduction of light rail. But for just another lane that will be full in five years? That is exactly what the research shows. People are not particularly happy about that.

The Lloyd Street extension with a grade-separated rail crossing has been budgeted to be completed by the time the new Midland health campus opens but it would have been cheaper in the long term to realign the freight railway. “Directions 2031: Draft Spatial Framework for Perth and Peel” was clear that the freight rail realignment is required for Midland’s future growth. It strikes me as bizarre that the longest term best value option was not chosen.

I will now move on to what this budget has in store for our education system.

**The DEPUTY PRESIDENT (Hon Matt Benson-Lidholm):** Order, members! The discussion is just too audible. It is interfering with Hansard, and I am trying to follow the debate as well. If you wish to talk to each other, please do so outside the chamber.

**Hon ALISON XAMON:** Increasing cost pressures for families feed into more pressure on our public schools. As noted in the budget —

Social issues such as family dysfunction, unemployment, mental health issues and generational poverty have increased the need for an emphasis in schools on improving student wellbeing, behaviour and attendance.

Over the next few years the Department of Education has to deliver a smooth transition of year 7s to high school, implement the Australian curriculum, address significant anticipated teacher shortages, staff hard-to-staff schools within the new independent public schools framework, assist growing numbers of children with disabilities and learning difficulties and, hopefully, update some of our appalling old public schools. The delivery of teaching in public schools is not appalling; I am referring to the state of the buildings. The department is charged with achieving all this on less money. Despite the boom, or perhaps at least partly because of it, the gap in our education system between public and private schools continues. The stark difference between what the “haves” are able to access for their children and what is available for the “have-nots” is also illustrated in the education sector. In my electorate, I suppose I am thinking of the likes of Perth College and Guildford Grammar compared with the conditions at many of our older public schools such as John Forrest Senior High School, for example. I am also incredibly disappointed at the failure of the federal government to progress the recommendations of the Gonski report in this year’s federal budget and hope that we will see some improvements in that area as well. I recognise that it is a state and federal issue.

I would like to make some comments about other impacts of the mining boom. I could speak all day about the failure of the government to translate the boom into improvements on the ground for so many within our community but I want to move on to mention the other area where this “go fast on mining at any cost” mentality is having a negative impact, and of course that is on the environment. In theory at least, WA has a regulatory system. The Department of Mines and Petroleum is charged with ensuring that the resources industry conducts its business in a responsible manner and that the community receives a fair return for its resources. It also facilitates and manages access to land and offshore areas for the exploration and development of mineral and

energy deposits. Part of its purpose is to open up the state for mining and petroleum exploration and production. It provides a lot of financial incentives and geophysical information to assist companies in exploration and the development of mining. The cost of services provided by geoscience information and advice this budget year was \$42.25 million. The exploration incentive scheme, funded by royalties for regions and distributed by DMP, is worth \$80 million over five years. Frankly, DMP is doing a bang-up job in helping the mining industry grow at the huge pace that I mentioned earlier but just this year we saw the Auditor General reporting back that there are serious flaws in the way environmental conditions on mines are monitored and enforced. Even while we are in the process of correcting the problems with the regulatory framework around onshore petroleum and gas activities, we can see that there is no desire from the government to slow down while this mess is sorted out.

The Environmental Protection Authority is the only regulator I am discussing that offers any transparency to the public. It is transparent that it is choosing not to do its job. EPA decisions to assess in the 12 months to 31 May was zero from 62 referrals. There were 28 decisions not assessed, with no advice given, and 34 decisions not assessed with public advice given. There appears to be a complete refusal to seriously engage with community concerns around what is happening, particularly with the expansion of the mining industry. We have seen the shoddy decision, full of holes I might add, to approve the mining of uranium for the first time in this state. On the very rare occasion that the EPA says no to operations, and the Appeals Convenor upholds that decision, I have noticed that the minister responsible tends to approve it anyway.

*Sitting suspended from 6.00 to 7.30 pm*

**Hon ALISON XAMON:** Another concern I have is poor regulation, which is evident in the way in which we are managing water in this state. The website of the Department of Water states —

We support Western Australia's growth and development by managing the availability and quality of water sustainably—now and for the future.

It would be awesome if that was what the department was actually doing. In estimates hearings the Department of Water said straight up that the Gnangara mound is not being used in a sustainable way and that they do not know when it will be returned to a sustainable state. If that is what is happening to the groundwater source we know the most about and which is subject to ministerial conditions and regular reporting to the Environmental Protection Authority, then what hope do we have that any of our overallocated groundwater sources are being sustainably managed? There are many of them.

The budget papers state that over the past 30 years the volume of water licensed in WA has nearly tripled, from 750 gegalitres per annum to 2 340 gegalitres per annum. Yet, simultaneously, the Department of Water is reducing staff by 20 per cent over the next two years on the basis of a \$13.6 million revamp of the water management platform. I am not looking forward to staff working on scoping and testing this system while having lost significant administrative capacity in the department. It is often not recognised how important this administrative capacity within our departments is. With so many huge projects in the pipeline, so much water already licensed and the need to develop and test a new system, now is not the time to be reducing the number of staff in the department. In fact, I will argue very strongly that we should be going in the opposite direction.

Last year we saw the controversial decision to licence five gegalitres to Karara Mining Ltd, which was nearly the entire remaining allocation for the Parmelia aquifer from the Mingenew subarea in the midwest. Granting this licence has blocked any local use of that water source and will not be enough for the expected future of this mine anyway. Other large mines predicted for the future in this area will also need large amounts of water. Creative solutions to address the cumulative impact of these mines and the expected expansion of the unconventional gas industry in the same area do not appear to have been considered. It is just more of the same lack of planning.

There is a real concern that the future of water in this state is simply not being viewed in a holistic fashion. Combined with this are the predictions of another seven per cent reduction in rainfall across the south west and increasing variability in rainfall across the north. We have a number of challenges to face in the field of water, including increasing demand, both through population growth and the expansion of industry—mining grew at 16 per cent last year—decreasing rainfall; and, now, decreasing FTE allocations, falling numbers of contractors and no system in place to cope with this staffing decrease. We can combine that with our expectation that new water resources management legislation should be coming soon. We can see that the Department of Water needs more expertise, and that it needs the people with that expertise to be doing those jobs and not to be stuck in a situation in which they are doing admin work because the admin staff have been made redundant and the new systems have not yet been built.

There is a tendency for some to falsely claim that anyone who questions the wisdom of unfettered rapid growth of the mining industry is opposed to the entire industry. That is absolute rubbish. It is also intellectually lazy. It is far from true. For example, the Greens are supportive of the mining industry when it is done right; that means, when it is done sustainably. Mining is essential. We are blessed and very fortunate to have many natural

resources in this state. There are many important and indispensable things that we should and could be doing with these resources, but that does not mean that it is wise to be going full steam ahead at any cost, with no thought for where the money from resources is going or what impact such rapid expansion of the mining industry is having on the environment and our community. We need to focus on the long-term impacts as well as the short-term impacts. We need to be planning for the future of our community and our economy. For a number of years WA has enjoyed a robust economy. We have low unemployment rates and sustained growth, largely as a result of the resources sector. Unfortunately, the benefits of a strong economy have failed to filter down to the disadvantaged in our community. We are seeing a widening of the gap between the rich and the poor. We need to start being a lot cleverer about this. We need to make sure that we are making the most of the assets that we have in this state. We need to make the most of high commodity prices and the so-called boom economy, but we need to do this in a way that is considered, is smart for the long term and does not leave a sizeable number of our community behind. We certainly also do not want to see our water resources trashed in the process and our precious environment irreversibly damaged. I want our state to be one in which the benefits are genuinely shared, and not one characterised by the highest level of income inequality in the country, as is currently the case. We should not be about maximising the benefit for a small proportion of our community at the expense of everyone else. The benefits and not just the negatives should flow through to everyone. This budget demonstrates that we are not doing that. People are being left behind, and they are our most vulnerable people. That is a poor reflection on this government and its priorities, but also a poor reflection on us as a community.

**HON SALLY TALBOT (South West)** [7.37 pm]: I rise to speak on the 2012–13 budget, which gives me an opportunity to canvass some of the many reasons that the community of Western Australia cannot afford for this government to still be in office after 9 March next year. There are too many topics for me to cover in this budget reply, so I am just going to canvass a few that range across a couple of my shadow portfolios.

The first thing we saw when we looked at the budget papers for the Department of Environment and Conservation, as with those of many other departments across government, was the spending cuts that the government has imposed across all key portfolios. When we got to estimates, we got not one iota of detail about how those spending cuts will be enforced, not even in the financial year that is due to start in just a matter of days, let alone in all the out years. To give honourable members who are following this speech a few signposts, I will just go through those issues and then come back and elaborate on them in my speech. I want to say something about those spending cuts and how they are going to affect the services provided by DEC. I want to talk about what is happening to our estuaries and wetlands. Strangely, there is no reference in the budget papers to Roe stage 8. I rather got the impression that this caught the government by surprise, because within a matter of hours of the budget coming down the Minister for Transport was out there saying, “It’s okay; we’re still going to build Roe 8”, which was not what the majority of our community wanted to hear.

I have already referred to the spending cuts across all portfolios; they are particularly savage in the Department of Environment and Conservation. We have a very troubling situation developing in the area of dieback control and no money to support the efforts to stop this biological bulldozer going through our state. On the topic of marine parks, I know the government is very fond of blowing its own trumpet about marine parks in the Kimberley; the fact is that the government has delivered very, very little in the four years it has been in office. The Kimberley and the great western woodlands are two important terrestrial regions where we would have hoped to see much more done to effectively conserve those unique areas. I will have something to say about the forest management plan, about waste management and recycling, and about threatened species, and, if I have time, I will make some brief references to climate change. This is all done in the context of setting out a number of reasons why this government must not be in office after 9 March next year. I will start with the spending cuts, about which I will make some specific observations; I will then make some general observations about the way this government’s cabinet ministers handle themselves in estimates.

We started off the two estimates hearings into the Department of Environment and Conservation with the same questions that I think opened every session, because of course as members of the opposition we were very keen to know how those spending cuts were going to be applied across the portfolios. It was interesting that ministers obviously came into estimates hearings with set pieces prepared on this question. In the estimates hearing on 29 May, about two weeks after the budget came down, the Premier said —

The actual areas within which those savings will be made are yet to be determined. They will be determined over the coming weeks for the start of the financial year.

...

... it is up to the heads of the various agencies to work out how they will meet the efficiency dividend. They have at least a full month to work out how they will do it, and once they arrive at that, I am sure they will tell their respective ministers and will implement it. But we are not at that stage yet.

Other ministers said things like, “Decisions have not been made on how those savings will be found over the forward estimates.” Another minister said, “We are working through a process to identify that. At this time we have not made a decision about what those changes or cuts will be. But it is important that we maintain a high level of service to the sector.” The Minister for Police said —

I thought a member would ask me that question tonight. The simple answer is that I cannot at this stage identify what savings we are looking for. We are at present looking to see where some savings can be made. We are making every effort, but we will not know the full amount until 1 July.

The budget came down and there were about six weeks before these cuts were due to take effect. By the time we got to estimates in the other place there were four weeks left and the ministers were still saying they had no idea what was going to happen. When we got to estimates in this place there were only three weeks left, and ministers were still not able to tell us where those cuts were going to be made. I seriously doubt that they even know. I will have a little more to say about that in a moment.

Let me just come to the way the Minister for Environment handled himself during the estimates process. He was asked specifically about these cuts, which are called efficiency dividends in the major spending tables but appear in the budget as an agency service; DEC now has seven, not six, services with the seventh one, as in a number of other departments, being the efficiency dividend. The Minister for Environment said —

No decisions have been made at this stage, but we will be making sure that no front-line programs and services will be affected.

I will come back to that in a moment.

I sat in on the entire Department of Environment and Conservation estimates session in the other place, so I am not going to quote—these are just from my notes at the time. The first question was about DEC’s firefighting capacity; the minister read from a prepared statement, and then deferred the question to an officer. The second question was a dorothy dixer on compliance and licensing costs; the minister deferred to an officer. The third question was on dieback; the minister did not even have a prepared statement on dieback, he just deferred straight to an officer. The next question was about the great western woodlands—again a dorothy dixer; again, a prepared statement. I urge honourable members who doubt what I am saying and think I am being picky about these things to look at the estimates transcript, and they will see that the minister is clearly reading all the material he used in the estimates process.

The next question was about Mirrabooka groundwater contamination. The interesting thing there was that the member for Nollamara, who asked the question, prefaced the question by saying that she knew the minister knew all about it because she had had direct conversations with him about it, and the minister agreed that he was on the same side. It was not a dorothy dixer, and the minister started off by saying he knew all about it, and then handed straight over to an officer.

The next question was a dorothy dixer on waste, and again the minister read from a prepared statement. The minister was then asked about the Kimberley—where is the money going?—and he deferred straight to an officer. He was then asked a dorothy dixer on royalties for regions, and he actually started his answer with —

I will not go through this in too much detail ...

That is an interesting way for a minister to preface an answer in estimates. I could go on, but members are getting the picture of how disappointing that estimates session was. I know I am not the only shadow minister who watched ministers perform and found their responses totally inadequate.

Interestingly, one of the final questions in that estimates session was from the member for Mandurah, who asked about progress on the Peel regional park, and the minister started his answer —

I thought I might get this question, member.

And then flicked it straight to an officer. So even when he knew the questions were coming up and conceded that he knew, he was still not prepared to answer them.

But of course we know why this is happening; the minister let his own cat out of his own bag. At the end of last year, when the minister was trying to deal with the fallout from the Margaret River fires, the minister conceded, in front of the full press pack, that he does not read the detailed material that comes across his desk. In an interview with *The Sunday Times* the minister said he had not seen DEC’s prescribed burning program for 2011-12, and he then went on to say that even if he had seen it, he would not have read it because he “lacked the expertise to get too involved”. I quote the PerthNow article —

I don’t recall seeing the whole plan, Mr Marmion said.

“I recall seeing a bit of detail around the Perth Hills, but not down in the bush.

“If I see the whole plan why am I any better than the guy who spent four years being taught how to do this?

“Why put a plan in front of a minister off the street and say, ‘Can you approve this, Minister?’

“What am I supposed to do pull out my tiny bit of expertise and say, ‘How come ... I could rubber stamp it but how could I add value?’”

Sadly for the community of Western Australia who care for their unique environment, this minister is a self-confessed rubber-stamper. Frankly, I put it to honourable members that they could go back through that article in *The Sunday Times*, substitute “budget” for “fire management plan” or “controlled burning plan”, and they would have a very cogent explanation for why this budget appears as it does. Why put a budget in front of a minister off the street and say, “Can you approve this, minister? What am I supposed to do? Pull out my tiny bit of expertise and say, ‘How come these tiny bits of numbers are in here? I could rubber-stamp it but how could I add value?’” That is the sad truth about the way that the environment portfolio is being run by this government.

I now come to the subject of service 7, as it is now called, the efficiency dividend in DEC’s budget. More than \$3.7 million is due to come out in the financial year that starts at the end of next week, and we have no idea where that money is coming from. Looking ahead to the out years, in 2015–16, \$9.2 million is due to come out. The government has no idea where that money will come from, and what has been clear from this whole budget and estimates process to this point is that the government does not ever intend to tell us where that money will come from. Only the government, because it has form on this, believes that previous cuts have not affected front-line service delivery in the Department of Environment and Conservation. I refer honourable members to page 888 of 2009–10 *Budget Statements* when the three per cent efficiency dividend was outlined. Sadly, the three per cent efficiency dividend takes half a page of the budget document, so I will not use up time by going through each of these line items. This is the government that is telling us, and this is the minister who has told us in this place through his representative, that budget cuts will not affect the delivery of front-line services. Let me just pull out four line items from its record. The previous three per cent cut included money coming out of improved efficiency in central planning for wetlands management. Why is it not a cut to a front-line service to pull thousands and thousands of dollars out of central planning for wetlands management? Maybe the government’s answer would be that we have not got much of it left anymore; there is not that much left to protect, so the government can spend less money on it, but that simply does not cut it.

Another line item on this half page is “Re-align Office of Climate Change to focus on a new climate and adaptation strategy”. I can tell members that that is one of the saddest and most conspicuous failures of this government. After four years in government we still do not have a new climate change and adaptation strategy. The government pulled money out of it to service its three per cent efficiency dividend; it said it was not a cut to front-line services, but it has not presented the state with a climate change and adaptation strategy. How can it be said that taking that much money out of DEC’s budget did not affect front-line delivery of services? Was this something that could just be put on the backburner? Clearly it was. A third item on this list is “Reduction in grants and rebates to better focus on air quality monitoring”. Talk to anyone who has even taken a passing interest in air quality monitoring in the state and they will say that delivery of those services by this government has been appalling; it was simply not up to the job. The government has simply not addressed the main concerns that people right across the state are experiencing with air quality monitoring programs. The final item I just draw out, which is a very topical subject, is the line item that says that money will be taken out of DEC’s budget by simplifying the forest management plan protocols to be less resource intensive. I tell members what—the government has sure succeeded there. If members read the EPA’s comments on the mid-term report of the FMP, they will see quite clearly that none of those protocols are being met. The government should not stand and tell the community of Western Australia that none of these cuts, of up to \$9 million in one of the out years, will affect the delivery of services by DEC, because no-one will believe the government.

I will now go through some of specific topics to do with this portfolio and point out some problems we are facing. I will talk about the issue of dieback. As many honourable members know, dieback, of course, is one of many threats faced by the environment in Western Australia. Under the lack of governance by this government over the last nearly four years, we have seen this situation go backwards to such a serious extent that one of the bodies that the government has kept in existence to help it with dieback management in this state has allowed itself to go on the public record with a letter that is openly critical of what the government is doing or, more accurately, what the government is failing to do. I refresh the memories of honourable members. I think it was in 2010 that the government carried out a review of all its boards and committees—or at least that was when the report was brought down. At that stage, two dieback groups were examined to see whether they still had an effective role to play. One was retained, and that was the Dieback Consultative Council; the Dieback Response Group was wound up and the Dieback Consultative Council was retained. I take this material from the DEC website, but the trouble is that some of the material about dieback on the DEC website is extremely out of date,



and I will come to that in a moment, so I cannot guarantee the accuracy of this information; we can only take what we are given by the government. Under the functions of the council we find the following —

The primary function of the Dieback Consultative Council is to provide high quality advice to the Minister for the Environment in relation to *Phytophthora* root-rot disease in Western Australia, particularly in relation to;

And there are five terms of reference here —

- Establishing close liaison between planners, managers and research scientists
- Ensuring that a high degree of priority is given to research generated by management needs
- Publishing reviews of research findings and their implications for both management and further research
- Recommending on acquisition and allocation of research funding according to its perceived priorities; and
- Advising on appropriate institutions to carry out the work.

Those are the functions of the council. But that appears to have all fallen in a very large heap in the last couple of years, to such an extent that the chair of the Dieback Consultative Council, Peter Elliott, recently wrote to the other members of the Dieback Consultative Council in the following terms —

Dear DCC Member,

It has been with increasing frustration that I have been unable to establish a dialogue with the Minister for Environment and Water on matters concerning *Phytophthora* Dieback. I wrote to the Minister in September 2011 explaining the role of the DCC and the opportunity to provide strategic direction to the Minister with respect to important matters regarding research, operational controls and management of the disease and urging him to reinvigorate the DCC. I have not received a reply.

This letter is dated 26 April 2012 and refers to a letter written to the minister in September 2011. We know from some of our questioning in estimates that the minister did not even see the letter until a couple of days ago. So, as the chair says in his letter, he had not received a reply. The letter continues —

Though I am assured through Department of Environment and Conservation ... that *Phytophthora* Dieback may gain further funding and the DCC's ability to be privy to be involved in this to direct where the commitments are being made. However, the lack of response from the Minister does not fill me with confidence.

I know the members of the DCC share my frustration and whilst there is still strong grassroots support for on the ground initiatives, the lack of visibility of high level measures to tackle the disease does not give me confidence that the DCC has a long term future without the support of the Minister.

Bear in mind that this letter was written two years after this government made the decision to keep the DCC in operation. It is not as though it is a committee that has languished on the backburner for the last four years; it was specifically reinstated and reconfirmed by this government when it wound up the Dieback Response Group and kept the DCC. The letter continues —

I wanted to make the DCC members aware of this situation and would advocate that you make your own overtures to the Minister on behalf of the constituents you represent, as your collective efforts may have an effect, particularly as the government goes to the election next year. I still hope to receive a response from the Ministers office and am working with DEC to facilitate this.

That letter was raised in estimates. I understand that a DEC officer has been hung out to dry over it. He said publicly that he made an error in not passing on the letter. That is another area in which the government has form. We can only hope now that the minister has seen the correspondence, has followed up on whatever else it is that the Dieback Consultative Committee has been trying to send the minister since 2010, when it was given a mandate by the government by being kept in existence, and that something will happen in terms of dieback control. I must be frank; nobody is holding their breath about that, because we have a rubber-stamping minister who has not even noticed. I watched the expression on his face when the question was asked of him in the other place, and it was quite clear that he had never heard of this committee. This is a committee that was kept in existence by this government. This is a committee that was specifically established to provide advice to the minister. The minister had not even noticed that he was not getting the advice. That is a very sad, sorry and troubling situation.

I want to spend a bit of time now talking about native forests. I asked a question the other day of the minister through his representative in this place about a project that has been mentioned in the context of the devising of

the next forest management plan, which is due to take effect in 2014. It was a question about the carbon stock monitoring project. I asked the minister whether the project had commenced and what was happening, what it comprised, what its terms of reference were, and who is doing the research for the project. This is a very important thing, because what has been confirmed recently—I am sure honourable members in this place have been aware of the fact—is that the Australian National University has produced a report about carbon stocks in Tasmania showing that the carbon stocks have an enormous economic value that clearly needs to be taken into account in any kind of assessment about what is done with native forests, how we treat them and whether we can get a better economic return. Members will notice that I am couching all of this in terms of the financial benefit potentially deliverable by our native forests.

That ANU report is enormously significant. The reason I asked the question was that I was trying to find out whether the government was aware of that report and how it has responded to it, because I can tell members that a logical response, an economically responsible way of understanding the significance of that report, would be to say clearly that we need to do an equivalent report on the Western Australian forests. We need to quantify the carbon stock represented by our native forests in order to do the detailed work on the next forest management plan. The answer I got was that there will be no consideration of the economic value of the forests. We do not know who really knows what this carbon stock monitoring project is. I asked for the terms of reference. Either there are not any or they are being kept secret; I am not sure how the government thinks it is proceeding on that.

We are plunging headlong into this process. I am looking at honourable members opposite. I can see at least one person who represents the area where the native forests stand, Hon Nigel Hallett. I know Hon Nigel Hallett is interested in getting this right. Surely there must be some pressure that we can put on the minister to do a proper assessment of the carbon stocks in native forests. Why would we not want to know what the economic bottom line is? It simply does not make sense. The other thing that troubles me—I will just share this with Hon Nigel Hallett, because I can see that he is so engrossed in what I am saying —

A member interjected.

**Hon SALLY TALBOT:** I should not have said that, because I know that sarcasm does not translate into *Hansard*, so, yes, that was a sarcastic comment.

The other reason why this is troubling and why I would ask any honourable members who are members of the government to take it up with their ministers is that we have had two answers in response to questions about why they would be ignoring the economics of forest carbon. The first answer was that it is a matter of policy, that the government has decided as a matter of policy that it does not want to look at carbon stocks in native forests. Why? Can we find out why that policy decision was made? Did members on the back bench know that their government has made a policy decision not to look at the benefits of carbon in the forests? It seems extraordinary to me. The second question was something about there being no mechanism for measuring the economic value, which is simply wrong. It is not just nonsense; it is factually wrong. There are plenty of systems operating all around the world that provide models for quantifying the economic value of forest carbon. That is something, I think, we need to pursue with great vigour in this place. I shall certainly be doing my best to make sure that that happens.

The reality is that under the reign of Premier Barnett and the Liberal–National government, the community has basically lost confidence in the government’s ability to manage our native forests. It is as though we have gone back to the Court government in the 1990s promoting the logging of old-growth forests. What we have now, in all the ambience of the government’s discussions about the logging of native forests, is reminiscent of the old language of the 1990s—the bad old days when we were still logging our old-growth forests. Now we have the Liberal–National government presiding over a disastrous period of forest decline. It is disastrous on a number of fronts. There is the issue of threatened species, about which I will have more to say in a moment. Compliance is an absolute train wreck. There is not a member of the government who would be able to stand up in this or the other place and defend the compliance provisions of the current forest management plan. The current forest management plan is simply not enforceable. The Environmental Protection Authority’s mid-term report notes a number of systematic breaches of the forest management plan protocols. Nothing has ever been prosecuted from those infringements. It is simply not enforceable. The whole governance system of the current forest management plan has broken down completely. There is documented evidence of fact that DEC and the Forest Products Commission and contractors have a relationship that is extremely antagonistic—the absolute opposite of any sort of cooperative working relationship that would be expected to be brought to bear. Yet when our rubber-stamping minister was asked specifically about the breakdown of the relationship between DEC and the Forest Products Commission, he said that he was not aware of any problems and that everything was hunky-dory. Then of course we have the whole dieback question, which is just one of many threats that our forests are facing. I have already outlined the failures in that regard that can be fairly and squarely laid at the feet of this government.

The Premier himself uses deceptive language about the forests. He has said publicly, “Forest is, by definition, a renewable resource.” If any member of the government in this place wants to come in here and defend that proposition, I cannot wait to hear it, because there is nobody in industry or in the conservation movement—there would not be anybody living in the south west of this state, the second most populous region of this state—who would believe someone if they stood up and said that forest is by definition a renewable resource. We cannot re-create what we have now and what we are logging; it simply will not be re-created. If any members want to take this further, they should go back 100 years and read the writings of somebody who I think deserves more recognition in this state than he is given—that is, the original writings of Charles Lane Poole who introduced the whole concept of sustainable forest management. Lane Poole is probably not a person whom members would expect somebody on this side of the house to refer —

Several members interjected.

**Hon SALLY TALBOT:** I am not taking interjections, so if members will be quiet, I will get through this more quickly.

Several members interjected.

**The DEPUTY PRESIDENT (Hon Matt Benson-Lidholm):** Members, there is the capacity and ample time, as you would very well appreciate, to make your own speech on the budget. The member is not taking —

**Hon Phil Edman** interjected.

**The DEPUTY PRESIDENT:** Excuse me! The member is not taking interjections; I would like you to take that on board. In the fullness of time, of course, you have the capacity to deliver your own speech on the budget.

**Hon SALLY TALBOT:** I caught Hon Nigel Hallett saying that I was talking rubbish and that is why he was interjecting. I am inviting any member of the government to stand and defend the position that this government is taking on this matter.

**Hon Simon O’Brien:** Sounds like you’re inviting an interjection to me!

**Hon SALLY TALBOT:** I am certainly not inviting an interjection; I am not interested in interjections.

Several members interjected.

**The DEPUTY PRESIDENT:** Order, members! I have asked—I would expect all members to abide by my request—that members listen to the member in silence. I ask the member, as I think she is endeavouring to do at least, to direct her comments through the Chair. If we can do that, I am sure that in the remaining 12 minutes or so, we could hear the member in silence. I invite her to speak through the Chair.

**Hon SALLY TALBOT:** Thank you, Mr Deputy President, and through you I was inviting any member of the government to stand in this place and defend the policies that I am criticising, because I think they are indefensible.

I was just making the point that members on the other side of the house might be somewhat surprised to hear somebody on my side talking in appreciative tones about the work of Charles Lane Poole, because many people regard him as the first logger—the first forester. The important thing I gleaned from the work that he did was that he was one of the first people in this state to recognise that we could not keep doing what we were doing, because otherwise we would just end up with one big wheatbelt right across the south west. Lane Poole was the first person to talk about sustainability in relation to forest management, so I really do invite people, through you, Mr Deputy President, to go back and have a look at some of the things that he said.

What we are doing now is not sustainable. The Minister for Forestry is not using the kind of deceptive language that I have attributed to the Premier; he is much more direct. The Minister for Forestry said —

The Liberal–National Government is having to take the hard decisions to reform the agency which would have been in receivership by now had it been a private business.

Of course, the minister was talking about the Forest Products Commission. This is an industry in an awful lot of strife, and the community throughout the south west has lost confidence in the government’s ability to manage the industry and our native forests.

In the little time that remains to me, I will talk briefly about waste and recycling. No speech from me on the budget over the past four years would be complete without some reference to waste and recycling, which has become one of the government’s most spectacular failures. We finally—hallelujah!—have a state waste strategy. We got a state waste strategy after nearly four years of this government not being able to produce one. We still do not have a business plan. I remember the occasion that I got up in this place on consecutive days and asked the then Minister for Environment Hon Donna Faragher why we did not have a waste strategy. She said, “We can’t have a waste strategy until we’ve got a business plan.” The next day I asked: why do we not have a

business plan? The then minister said that we could not have a business plan until we had a waste strategy! My point is that it does not really matter which is the chicken and which is the egg; we now have a state waste strategy, but we do not have a business plan. Therefore, we do not have any plan to spend the roughly \$16 million, I think it is, in the waste account. With another \$9 million going in next year, we do not have any plan to spend any of that money. We have a state waste strategy and we do not have a business plan.

Of course, the other thing that we do not have is a chair of the Waste Authority. What a poisoned chalice that is turning out to be! At least two people have been in that job—I say that there have been at least two, because one was there for only a very short time and I cannot comment on him because I did not have anything to do with him—who were clearly well qualified and who brought a degree of gravitas to that position that I and many of the people on this side of the house felt was entirely appropriate for such an important part of the government's activities. Guess what? We have just lost another one. It is a major blow; we have lost the chair of the Waste Authority.

We have lost, did honourable members notice, our glass recycling? With the effective closure of Colmax Glass, there is no glass recycling in this state anymore. Colmax stopped taking product before Christmas. When I asked the representative minister in this place about it a couple of days ago, Colmax still had not reopened for business and we do not know when that will happen.

With the suspension of the contract between the Waste Authority and Main Roads, we effectively have no construction and demolition recycling. That is another area in which the minister has clearly taken the same attitude as he took to reading the state's prescribed burning plan; that is, the minister presumably had documents put in front of him and decided that he was not qualified to read them and just duckshoved them back across the desk so that somebody else can make the decision. I say that because the minister set up a reference group to produce a report on construction and demolition recycling. That report was released at the end of last year. Just before Christmas, the minister put out a press release entitled, "New era for waste recycling in WA". The first dot point stated that there was to be a reduction in C&D waste to landfill. That has to be good news. As some honourable members will know, I am absolutely committed to making a C&D recycling plan work. I think that it can be done. All the expert stakeholders I have spoken to tell me that it can be done. If we could take C&D waste out of the waste stream, we would take such a terrific step forward that we would not even recognise where we are now. If we could eliminate the C&D waste stream, where we are now would be like looking back to the days of using leeches in surgery. I believe it can be done. The minister clearly believed it could be done too, so he set up a reference group. The problem was that the Minister for Environment decided that he would reinvent the wheel because he set up a reference group that took no notice of any of the work on C&D recycling that had been done nationally or in other states. The minister took no notice of a construction and demolition waste status report that was prepared by Hyder Consulting for the commonwealth and Queensland governments. The report states —

The management of asbestos in C&D waste recovery and recycling will require the engagement of the State's WorkCover Authority or health department.

That is only one short excerpt from this report; if I had a couple of hours, I could read many more relevant sections. However, the minister decided to reinvent the wheel, so he had a reference group that included a lot of excellent people, but guess what? There was nobody from the health department, WorkSafe or the key unions involved in construction. The result is that this brilliant new scheme is now frozen. The contract has been suspended. There is no contract with Main Roads and no recycled C&D waste is going into road making.

I say to the minister that he is in charge. There is only one person who drives the environment cart in Western Australia and that is the minister. We have a minister who is a self-confessed rubber stamper, but he is not even reading the material that he rubber-stamps, and this is the mess we have got ourselves in.

[Quorum formed.]

**Hon SALLY TALBOT:** I had some more comments to make, which I might do in another part of today's proceedings. I was going to talk about threatened species; I have already talked about dieback as one of the major threats to our forest. There are a lot of things contributing to the threats to a number of species in Western Australia, and the budget tells a sorry story in that regard.

In the few minutes remaining to me, I will put another hat on and talk about the Peel region, because this is a very important issue and this budget highlights, in case anyone was in any doubt, the degree of neglect the Peel region has suffered under this government. In fact, I think the government has a bit of a split personality in respect of the Peel. It actually knows how important the Peel is, and I note that Hon Robyn McSweeney pops in every now and then. Hon Nigel Hallett also has his upstairs office there with his big sign outside; I know he pops in occasionally as well.

Several members interjected.

**The DEPUTY PRESIDENT (Hon Matt Benson-Lidholm):** Order, members! Members, it is getting difficult for me to understand, let alone the Hansard reporter, who is much closer to the fray, so I ask you all to refrain, please.

**Hon SALLY TALBOT:** My colleague in the other place the member for Mandurah —

Several members interjected.

**The DEPUTY PRESIDENT:** Order, members! The member has three minutes remaining; please listen to her in silence. Thank you.

**Hon SALLY TALBOT:** My colleague in the other place the member for Mandurah has done a fantastic job of telling the story of Mandurah in particular and Peel in general. I urge any member who has not yet read the story that he told in the other place about the Young family to read it. Again, I invite members to come into this place and defend the situation that people like the Young family, who have a disabled child, are facing because they live in Peel.

Labor created the Peel region in 1993; we set up the Peel Development Commission. I will share with honourable members who perhaps are not familiar with some of the details of the area some facts that add to the argument that the member for Mandurah and I have been putting regularly to this Parliament. Our argument is about the divvying up of the royalties for regions money; Hon Robyn McSweeney looks like she is familiar with this argument! Peel is the third largest royalty-producing region in this state; of the nine regions and the royalties they produce, Peel comes in at number three, yet Peel gets only somewhere between two and three per cent of royalties for regions money. It is the smallest geographic region of the nine regions, yet it has the third largest population. Members of the National Party might be interested to know that there are 300 000 more people living in Peel than there are in the wheatbelt. Compare that with 2001, when the populations were roughly equivalent; it now has 300 000 more people than the wheatbelt. More than one in six people living in regional Western Australia live in the Peel region, yet it gets only two per cent of royalties for regions money. Its growth since 2005 has been about 24 per cent, compared with the state average growth over the last 10 years of less than 14 per cent. Between 2001 and 2010, the Peel region accounted for nearly 34 per cent of the increase in Western Australia's regional population, and by 2031 nearly a quarter of Western Australia's regional population will live in Peel.

Those are astonishing figures, and I ask all members for South West Region in this place to go to their ministers and ask what is happening. How can we be getting only two or three per cent of royalties for regions money when we have figures like that? I take those figures from the "Peel Away the Mask II" study, with which I am sure all honourable members are familiar. They should read that report and read about Peel, and then go to their ministers and say, "It's time Peel got its fair share."

Debate adjourned, on motion by **Hon Ken Baston**.