

Mr Colin Barnett; Mr Rob Johnson; Mr John Kobelke; Deputy Speaker; Acting Speaker; Mr Pendal; Mr House;  
Mr Paul Omodei; Mr Arthur Marshall; Mrs Cheryl Edwardes; Mr Max Trenorden; Mr Rod Sweetman; Mr  
Bernie Masters; Mr Bill McNee

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**APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 1) 2002**

*Second Reading - Cognate Debate*

Resumed from 16 May.

**MR BARNETT** (Cottesloe - Leader of the Opposition) [3.10 pm]: This second reading debate on the budget, followed by the estimates committees, provides for the Opposition and the community the first opportunity to scrutinise the first full year of this Labor Government. As someone who has been a member of this House for nearly 12 years, I find it curious that the Government should spend so much of its time and so much of question time trying to bring into question the economic credentials of the Liberal Party and the former coalition Government, and of me in particular. All Governments get things wrong from time to time. No Government is perfect. However, if there is one thing that distinguishes the coalition Government from the Labor Government, it is financial responsibility and the ability to get things done for this State. Over the past six months the Government has made all sorts of claims about misspending by the former coalition Government. However, if it is a question of character and of economic or financial integrity, I put the Premier on notice: if he wants to pursue people's credibility on financial issues, we will pursue that to the final degree. I have not done that yet in this Parliament.

I again note for the record that the Premier was the minister in charge of the former State Government Insurance Commission when hundreds of millions of dollars went missing from that organisation. That is a matter of fact. If the Premier wants to come into this House and abuse question time by hurling financial or economic insults at me and fellow members of the Opposition, we do not mind that at all. I have no embarrassment about anything financial or economic. However, I place on record that from now on, every time the Government does that we will relay word for word and dollar for dollar the misappropriation of funds that occurred in the SGIC when the Premier was the minister responsible for that organisation. That was a clear misappropriation of taxpayers' insurance funds by siphoning them off into Rothwells and Western Australian property deals. The Premier was the minister responsible for the SGIC at that time. The Premier should make up his mind. Does he want to continue a debate about personal economic credibility and financial responsibility? I have refrained from going back to WA Inc, but I will do it every day -

Dr Gallop: You have lost it!

Mr BARNETT: The Premier can come in here as often as he likes with insults, personal abuse and name-calling, but I put him on notice that if he continues to do that, we will accept that as an open invitation to revisit every deal that took place during the WA Inc period when he was the minister responsible for the SGIC and the energy portfolio. We are happy to do that.

Dr Gallop: You have a problem, my friend!

Mr BARNETT: If the Premier wants to use question time for name-calling and to attack the Opposition, that is his choice.

Mr Ripper interjected.

Mr BARNETT: It is interesting that we listened in silence to the Treasurer. We gave him that courtesy. It has been a convention of this Parliament that when the Leader of the Opposition responds, a similar courtesy is extended. I do not mind the odd interjection, because I am not working from a written speech, but I again note the complete lack of respect that this Government displays for this Parliament.

Mr Kobelke interjected.

Mr BARNETT: I listened in silence. I do not mind the odd interjection, yet this is what we get from the three members opposite.

When a budget is presented, it is appropriate that public information be released. The Labor Party when in opposition always criticised the then coalition Government for excessive use of advertising for public relations purposes. I do not deny that in some cases that criticism was justified. However, when we published information about the budget, that information was detailed and factual. The information that the Government presented about the budget was a one-page cartoon. This cartoon that I am holding up was the level of information that was presented to the community in suburban and country newspapers and in *The West Australian*.

Mr Dean: It looks like Dan's forehead!

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Mr BARNETT: The member for Bunbury can make fun of it, but if the Government wants to use taxpayers' money to present a matter of public information - the state budget - then it has a responsibility to provide accurate information. This cartoon is nothing more than a piece of advertising propaganda for the Labor Party. It has no other status. It is a nice drawing of a train -

Dr Gallop: Where does it mention the Labor Party?

Mr BARNETT: Members should read this advertisement. It does not mention the Labor Party but it is clearly propaganda for the Labor Party. This advertisement was designed to convey not information, but a positive image for the Labor Party. I am interested to know how much was spent on this advertisement -

Mr Ripper: We dealt with that matter before the budget was released. I announced that we would be spending less than \$100 000 on budget information.

Mr BARNETT: If the Government is to spend public money, then it has a responsibility to convey true, accurate and detailed information. This is simply a cartoon.

Mr Kobelke: What is inaccurate?

Mr BARNETT: For example, under the heading of "Living Within Our Means" the cartoon states -

We have imposed strict discipline to balance the books, deliver better services and develop our State.

It is a piece of propaganda. It continues -

- keeping the Budget in surplus
- tight control on spending
- lowest taxing State (as a percentage of gross state product)

Where does this advertisement say that state debt increased by \$891 million? Why is that information missing?

Mr Kucera: You are only grumpy because you do not have your face on the advertisement; the previous Government always had members' faces on its advertisements.

Mr BARNETT: This is my response to the budget. I do not expect courtesy, but I do expect the same rules as applied when the budget was presented.

Mrs Roberts interjected.

Mr BARNETT: I have unlimited time and I do not mind if I am speaking on the budget until midnight because I want to go through some points.

If this Government was providing accurate and informative financial analysis, it would, at least, acknowledge what has happened to state debt. It is not mentioned in this advertisement and there is no information of any real substance in this article. It is purely an exercise in propaganda by a Government trying to promote itself, and it completely lacks in detail.

Mr Watson: When you were in power and you put out your budget information, did you outline what your debt was in that information?

Mr BARNETT: I do not have that information in front of me, but I would happily read it. The member will find that there was a lot of financial detail in our information, and I have no doubt that debt figures were mentioned because debt was reduced by over \$4 000 million while the coalition was in power. This is simply a piece of advertising. If a Government is to use taxpayers' money to provide information on the budget, it is incumbent upon it to provide substantial detailed information and not just a cartoon with what is, in effect, Labor Party propaganda. It is inappropriate and poor.

I have said that the Government has contained spending growth. I acknowledged that and I gave the Government credit for it at the time. However, I do not give it credit for the extraordinary increase in taxation, the lack of transparency about that increase and the massive increase in state debt. The people of Western Australia know that when a Labor Government is in power levels of state debt rise. That has been proven. It is true that while the coalition was in power, state debt was reduced largely through the process of privatisation. Members opposite do not recognise that the total value of assets held by the people of Western Australia, through the Government, increased substantially during that period. The total asset base grew and there were privatisations. This Government tells us that it is against privatisation, on principle. The result is an explosion of state debt by \$891 million in its first year in office, with a further \$580 million of state debt projected to blow out in 2002-03. We are facing the prospect in the first term of this Government - hopefully the only term of the

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Labor Government - of an increase in state debt of 40 per cent. It is exactly the same scenario of the late 1980s and the early 1990s. I remind members that while WA Inc cost the State \$1.5 billion, it explained only part of the massive increase in state debt that took place when this Premier and Treasurer were ministers under the Lawrence Government. During that period there was an extraordinary explosion in state debt, which was caused by general overspending and the inability to manage projects.

The Government claims credit for producing surpluses. How many times has it said that the coalition produced four deficits in a row? The broken record goes on and on. Why does the Government not also acknowledge the fact that it inherited a \$170 million surplus and also a \$4 000 million reduction in state debt, which saves the Government \$300 million a year in interest? Why does it not compare that with the 1992-93 situation when the coalition came to government and inherited a deficit in excess of \$350 million? The Government should not simply go on about four deficits in a row. They were relatively minor, and this Government inherited a return to a strong surplus.

The previous Government steered this State's economy through the Asian economic crisis. The crisis affected the timing of projects, commercial activity and the like, but this State did not slide into recession. The State did not get an explosion in unemployment figures, as had been feared.

Mr McRae: Why was that?

Mr BARNETT: Following the Asian economic crisis, capital works programs were substantially increased, which tended to nullify the slowdown in private sector investment. Growth figures flattened off overall, but the economy did not go into recession and the State did not experience rising unemployment. The State got through that, and it was a difficult thing to manage. Government members should not be too quick to quote four deficits in a row.

Dr Gallop: You concealed it from the public.

Mr BARNETT: Hang on! We knew that we were running a deficit, but we did it in the context of the position resulting from the Asian crisis. When the issue was raised during the election campaign I said that there were four deficits, but government members must remember that the deficits were based on accrual accounting. This Government inherited a surplus.

Mr Kucera: You concealed the position from the community.

Mr BARNETT: I am sorry, my friend. Treasury introduced accrual accounting. If the member understands accrual accounting, he will appreciate that it treats capital in a different way than it was previously treated. It showed deficits for four years, but it also showed a surplus of \$170 million in our last year. It showed that the Labor Party, under that definition, handed over to the coalition a \$350 million deficit. The change in accounting procedure was reflected in previous years. The point is that post the Asian crisis, the State's economy continued to grow and it did not experience job losses.

The two Labor Government's budgets have been characterised by an extraordinary increase in taxation. As stated in question time, when the Premier was asked in the pre-election debate whether taxes and charges would be increased, he said that there would be no increases. That clearly was not the truth, and it has been proved to be so since. I suspect that the Premier panicked when he was asked that question, and did not think about it or was not quick enough on his feet. Zero increases in taxes and charges would be absolutely unlikely. However, the public did not expect to see such a brutal and massive increase in taxation. The first budget of the Labor Government imposed a \$147 million increase in taxes. The second budget imposed a further \$110 million of tax. In a full financial year, \$250 million of additional taxation was imposed. In other words, over its four-year term this Government will impose \$250 million a year in additional taxation. It was a result not of taxation growth, revenue growth, price inflation or anything else but of deliberate policy decisions to raise or introduce new taxes. It will tax the Western Australian community by close to \$1 billion. That is an enormous impost on families and businesses.

When that issue was raised during question time, the Government tried to make light of it. The Opposition estimated that the tax equivalent increase on Western Australian households from the first Labor budget was \$360 per household. The Premier made fun of it and said that they were my figures and that he would not believe me. I am sorry, but the figures are based on Treasury figures. I ask the Premier to provide me with detailed figures of the equivalent tax per household, reflecting the effects of the tax increases in last year's and this year's budgets. Such figures should have been included in the budget papers. The Government has a responsibility to show the effect of the tax increases on householders and businesses. Such figures have not been included, and this is anything but an open and accountable Government.

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I now turn to capital works. The Government loves to make bold announcements about hundreds of millions of dollars worth of investments and tens of millions of dollars worth of capital works. When we look through the budget papers, we find that spending is pushed further and further out. The so-called projects have been allocated small amounts of money - in a relative sense - in both this and the coming financial year. The southern railway is a good example. How extraordinary it is that, when asked straightforward questions by the member for Carine and me, the Minister for Planning and Infrastructure replied that the southern railway was on budget and that there were no delays. It is beyond credence that a minister handling such a major project would, at that stage, not have known that the budget had blown out. She certainly would have known about further delays. Indeed, the Minister for Planning and Infrastructure has limited credibility both inside and outside Parliament. I find it hard to believe that she did not deliberately mislead this Chamber, and this notion may be challenged. The Minister for Planning and Infrastructure came into the House and, in response to questions that were asked of her, stated that there would be no further delays. However, at that stage, the budget papers would have been finalised - they were probably in the printing process - and they revealed that there would be a further one-year delay. In responding to such questions, the member abused and accused the member for Carine, and categorically stated that there was no increase in the budget, and no further delay. However, one week later, the one-year delay is printed in the budget papers, and it becomes public information that the cost is over \$200 million. That is not the behaviour of a competent person; nor is it the proper behaviour of a minister. The Premier talks about ministerial standards and the like, but he has failed to sanction one of his ministers who, in responding to some of my questions about delays on the project, used such words as "bull" in the financial press. I will let members complete that expression. Is that the proper conduct of a minister? That word was used not in a local paper but in the national media. The minister described my comments about delays and cost blow-outs as absolute "bull...", and such comments were reported in the *Australian Financial Review*. However, one week later, what I stated to be true appeared in the budget papers. The Premier has refused to take any action, and has made no attempt to discipline or pull the minister into line. I raise this point because during today's question time my credibility was questioned by a member who presided over the loss of hundreds of millions of dollars. Where did the money go from the State Government Insurance Commission? The Opposition is happy to debate this issue.

Mr Kobelke: That is false, and you know it is false.

Mr BARNETT: The money went missing. The Premier was the responsible minister in the previous Labor Government. Where did the money go? What was he doing as minister? The Government can talk about financial credibility - I am happy to debate my credibility any day of the week. However, every time we do, we will also debate the Premier's credibility. The Premier can talk about parliamentary standards, but he must look at the language used by one of his senior ministers in the national media. The Premier has not made one comment about the language used by the Minister for Planning and Infrastructure. He has not said one word, and the Minister for Health sits on the government benches and shakes his head.

Dr Gallop: The member for Warren-Blackwood is the John Gorton of the Liberal Party - he has a bit of character about him.

Mr BARNETT: Given that Hon John Gorton died a couple of days ago, that comment is most inappropriate. The Premier has no class. The former Prime Minister passed away -

Several members interjected.

Mr BARNETT: I will forget it; I will refer to state debt.

Dr Gallop: You have lost it! Get on with your budget speech and make a decent contribution.

*Points of Order*

Mr JOHNSON: This Chamber listened virtually without interjection when the Treasurer delivered his second reading speech. Members on this side may have made one or two comments, but they did not shout them across the Chamber. I ask that the Leader of the Opposition receive the same courtesy as we extended to the Treasurer when he delivered the second reading speech.

Mr KOBELKE: There is no point of order, although it may suggest a certain precedent that I ask you to consider, Madam Deputy Speaker. However, when considering precedent with a major speech, such as the budget speech or the reply, one must look to the style and content of the contribution. The Leader of the Opposition is making false accusations about the Premier. We have not taken points of order because we are happy to enter into a robust debate and the Leader of the Opposition has no credibility, so his assertions are meaningless. Nonetheless, he was looking at the Premier and making accusations about him. Therefore, he has no basis upon which to seek the protection of the Chair.

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The DEPUTY SPEAKER: There is no point of order. However, it is disorderly to interject across the Chamber. If members wish to rely on the protection of the Chair, they should not seek or respond to interjections. I ask the Leader of the Opposition to resume his speech. Members should display the courtesy normally offered in the Chamber. However, if a member seeks interjections, the protection of the Chair is limited.

*Debate Resumed*

Mr BARNETT: I move on to the specific issue of state debt. By 2000-01, following eight years of coalition Government, state debt had been reduced by \$4.2 billion. During the 15 months that the Labor Government has been in power, state debt has increased by \$1 billion. The figure for 2001-02 was \$891 million. The Government can be excused for the increase that occurred during the three months leading into that financial year. However, the Treasury has projected an increase of \$585 million this financial year. In all probability, the increase will be greater. Given the Government's commitment to major projects such as the southern metropolitan railway, state debt is likely to rise significantly to a precarious level. Indeed, it is not beyond the realms of possibility that state debt will increase by \$2 billion or more during this term of government.

The budget figures show that debt is forecast to increase to \$6.3 billion by 2004-05. That represents a 40 per cent increase in state debt under the Gallop Labor Government. What is different from the late 1980s and early 1990s? How is the Government trying to disguise that? It knows it is vulnerable on state debt. That is why it was not acknowledged in the financial report. A truthful, open and accountable Government would not do that.

The first mechanism used to hide the debt is to delay projects - the southern metropolitan railway is the obvious example. Other government election commitments are receiving relatively small amounts of funding and are also being delayed. Projects such as the Tom Price road are still shown as costing about \$100 million when everyone knows that Main Roads WA indicated years ago that the cost would be more than \$230 million. Similarly, Geraldton projects have been repeatedly delayed. That is happening to all capital works projects. Not only do we have a debt problem, but it is also being disguised by this tendency to delay projects and to drip feed capital works expenditure. That is the clear structure in the budget papers.

The second disguise technique relates to a dorothy dixer about my views on how debt funding should be used. The Treasurer feigned indignation and said that debt funding can be used to build schools, hospitals, roads and so on. What was he talking about? He was talking about public-private partnerships. For the first time, the State Government will use privately financed debt to fund services and infrastructure that have always been funded using government revenue and capital works programs to provide non-income generating assets. For the first time, we face the prospect of public infrastructure being privately owned and managed.

The Labor Party would have the public believe that it is vehemently opposed to privatisation. This Treasurer and Premier are going down the public-private partnership path. I do not have a problem with that arrangement if it is done properly. However, the Government is using it to conceal debt. Assets that have always been funded and owned by the Government of Western Australia will be privately owned, funded and managed. The Government is shifting state debt off its books and into private sector finance. It will pay an enormous price for that. The cheapest way to raise money in Western Australia is to borrow through the Treasury. If the Government borrows in the private sector and takes up the fancy arrangements that will be offered, it will conceal debt in the short term, but it will accumulate huge costs and charges for future generations. That will come to light very quickly.

Dr Gallop: The Matrix deal is a good example.

Mr BARNETT: That is true. When the Premier was the Minister for Energy and he promised to build a 600-megawatt power station at Collie, the cost blew out to \$2.2 billion under one of these public-private partnership arrangements. That is a demonstration of the Premier's skill in handling the State's finances. He was never able to complete the construction of the power station. I remember the debate at the time. Some members might have been here.

Dr Gallop: Not many of your members are listening to your speech.

Mr McGowan: There are six members missing.

Mr BARNETT: That is okay. When the Premier was trying to bring that project -  
Several members interjected.

Mr BARNETT: It was a comedy.

Mr McGowan: He was not the Premier then.

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Mr BARNETT: He is now. I remember him saying - this gives a clue to his personality - "We are moving into a decision zone." That is farcical.

Mr Kucera: We are going back to Menzies' days now.

Mr BARNETT: It was a long time ago - about 10 years ago. Every time members opposite refer to the past, we will also; every time they criticise me for funding facilities for schoolchildren, I will criticise them; and every time they talk about health care, I will talk about the hospitals we built. However, I will always look at the budget bottom line, which is the level of state debt. It has increased this year to \$891 million. What is there to show for it? Where is the new tunnel, the railway and the civic centre? That additional debt will attract interest - it is not simply an accounting line. We will pay five or six per cent interest, which will be \$40 million or \$50 million after one year of increased debt. It will be another \$500 million, if not more, next year. In the meantime, the southern railway, which will be 12 minutes quicker, has already been delayed by two years. It goes on and on. Capital works projects are allocated little bits of money to give the appearance of something happening, but the real expenditure is being pushed out beyond the next election. The public is not silly. The Government has released a cartoon of people travelling on trains. If it spends taxpayers' money, it must tell the truth that state debt has blown out by \$891 million. That is the sort of information that a truly open and accountable Government would provide.

The Treasurer has made much of the State's AAA credit rating, and why should he not? For a long time, the State has held the highest rating. Essentially, the State is at minimal risk because of the state of the economy and the generally good economic management that it has enjoyed. The previous Labor Government lost the State's AAA credit rating. It lost it partly, but not entirely, because of WA Inc. The \$1.5 billion lost in WA Inc was a sunk cost; it had gone. However, the real reason that the then Government lost the money was its inability to manage the State's finances. At the time of the Carmen Lawrence Government, when this Premier and the Treasurer were ministers, state debt increased by \$1 billion a year, year in and year out. Eight years later, Dr Gallop has returned as the Premier and state debt follows the same old pattern; it is increasing by \$1 billion. If the Government wants to continue to spend the way it is on the capital projects that it promised during the election campaign, about which it likes to make many media announcements, it must be able to fund them.

Dr Gallop: Tell us which ones the Opposition would cut out. We are keen to hear it.

Mr BARNETT: The Premier must rise above that.

I again refer the Premier to the election campaign when the Labor Party promised to spend \$1.2 billion and the coalition promised to spend \$400 million. The difference is \$800 million, which is close to the level of state debt.

Dr Gallop: You have a responsibility to tell us which capital works programs you would cut out.

Mr BARNETT: That is not the point. The Premier should re-examine the election and consider what the Labor Party promised and what the coalition promised, which we would have delivered on time. The difference in expenditure is \$800 million. The Government wants to build a railway and incur an extra \$300 million plus of costs and tunnel it under the city. It wants to build two stations in the city because it wants to make it a Labor Party project. The Government has made a number of commitments in Geraldton, which is good for its popularity. The Government tells the people in the Pilbara that they will have a sealed road from Karratha to Tom Price at a cost of \$100 million, but it will actually cost \$240 million. The Government continues that misrepresentation in these budget papers. If the Government wants to carry out those projects, it must fund them. It cannot fund those projects in this way.

Dr Gallop: Give us a decent speech and tell us what you will spend. That is what the Government did.

Mr BARNETT: We did; we called it our election commitment. We promised -

Dr Gallop: You tell us today what you would cut out of the budget.

Mr BARNETT: It is not a matter of doing that.

Dr Gallop: You will not be accountable to the people.

The DEPUTY SPEAKER: Order members! Clearly the Leader of the Opposition does not want to respond to interjections.

Mr BARNETT: If debt is to rise by nearly \$1 billion, a few hard decisions must be made.

Dr Gallop: Tell us what your decisions are.

Mr BARNETT: This is absolutely puerile comment.

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If the Government wants to pursue those capital works, it will probably need to privatise a state asset and it will have to be up-front about it. To build the capital works that the Government has promised, it will have to fund them through privatisation. If the Government is to privatise something, whatever it might be, it will have to do it honestly. It will have to sell an asset.

The Government pretends that it has not embarked on privatisation, although it brings in private funding and privately-owned infrastructure that would in any other circumstances be government infrastructure. That is what the Government will do. It will introduce privatisation by stealth because it is not accountable enough to be up-front and privatise a state asset. The Government says that it will break up Western Power, which would inevitably lead to the privatisation of the electricity industry. The Government has not told the public that it will privatise a power station; it will break it up until it becomes redundant. By that decision alone, the Government will probably drive more than \$1 billion worth of value off Western Power. Does the Government think that the credit rating agencies will not notice that? They will notice that very quickly.

Dr Gallop: We will not privatise it.

Mr BARNETT: Is that like the Premier's promise not to increase taxes? The Premier said, "Read my lips, there will be no increases in taxes under a Gallop Government." Although the Government has increased taxes by \$250 million in just 15 months, the Premier expects people to believe him. We are to have public-private partnerships, yet we are expected to believe that it is not privatisation. It is a form of privatisation like a number of other arrangements. Any university textbook on privatisation will show that contracting out public-private partnerships is a variation of privatisation. Why is the Government not honest about this issue? It cannot run up \$1 billion of debt a year without something cracking. The Government cannot conceal that by entering into public-private partnership arrangements; it will not wash. The credit agencies will see through that and, without doubt, the Government will add enormously to the recurrent costs and expenditure of future Governments. At least an interest payment can be seen. Under public-private partnership arrangements, the Government would be responsible for interest charges, maintenance charges, risk charges and other hidden charges. The Government should consider the experience in Britain.

If the Premier wanted to have a go at the previous Government, it would be simple to consider the Matrix arrangement. It is not the most complex deal to have private ownership of a car fleet when cars are turned over every 40 000 kilometres, as they were then. After all, many corporations outsource their car fleet. If Treasury so bungled that matter, how does the Premier think he will go with schools, hospitals, railways and all the rest? It will be just like the Premier's inept attempt to handle the Collie power station.

Dr Gallop: Who reversed the rolling stock position?

Mr BARNETT: The rolling stock is an interesting issue. The Premier refuses to discipline the Minister for Planning and Infrastructure in any way, apart from releasing grubby pieces of paper about ministerial standards. Last November, the minister said that the capital cost and maintenance of the rolling stock over 15 years would be \$300 million. On a Sunday morning, as is their wont, the Premier and the minister announced that they had forged in steel a \$437 million contract. When the member for Carine challenged that and said that six months ago the Government had given a figure of \$300 million, the whiz-bang Minister for Planning and Infrastructure said, "Come in spinner, because the \$437 million is for supplying the railcars plus maintenance. The \$300 million that I announced previously was just for supply." The member for Carine thought that she might have got her facts wrong so she did an extraordinary thing and read the press release, only to find that the \$300 million was for supply and maintenance for 15 years. How can the Premier and the Minister for Planning and Infrastructure get it so wrong?

The Premier talks about financial responsibility. A few days before the budget, the same minister said that the new railway project was on budget and was on time. Clearly, she was misleading Parliament. At that stage, she must have known that the budget papers showed that the project was not on budget and was not on time. She misled the Chamber a few days before the budget was released. The Premier sits here now and fails to discipline her. Two days before that I asked the Treasurer a straightforward question about the level of state debt. In the lead-up to the budget I said that state debt was likely to be at least \$800 million, for which I was criticised. The Treasurer said that I was wrong. He said that state debt was actually \$740 million, not \$800 million. Some 48 hours later in his budget the figures showed that it was not \$740 million, it was \$891 million. I was wrong because I underestimated it; it was more. How can the Treasurer be considered credible when just 48 hours before releasing his own budget he did not have any idea about the level of state debt? It is little wonder that the cartoon does not refer to state debt. It depicts nice and warm fuzzy faces on a train. What is the level of state debt? How will the Government fund it? It will fund it through public-private partnerships. It is the Tony Blair scenario. Does anyone in the Chamber believe that the Labor Party can be trusted with money? It cannot, and the public is well aware of that. In its first budget, the Labor Party has blown out state debt by \$891 million.

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The newfound economic whiz, the Treasurer, circulated his public-private partnership paper, which no-one else in the Government knew about at the time. He then talked about a new, fancy way to fund government expenditure. He also came up with his debt to revenue ratio idea. The Treasurer had been talking to credit rating agencies which told him that the critical thing is the debt-to-revenue ratio. They said that if the level of debt as a proportion of revenue ever got above 45 per cent, they would carefully examine the credit rating. Suddenly Treasury has a new holy grail of debt-to-revenue ratio.

Dr Gallop: No, we just took it over from you. Your leader had it as one of his debt targets.

Mr BARNETT: Yes, debt-to-revenue ratio. It is this Government's holy grail. I want to talk about this holy grail.

Dr Gallop: You had it.

Mr BARNETT: It is a ratio. It is an enumerator divided by a denominator. It is a debt-to-revenue ratio. There was debt when we were in government, albeit reduced, and there were revenues. What was the debt-to-revenue ratio that the coalition inherited in 1993-94? Was it above or below the magic 45 per cent? It was just a little bit above at 73 per cent! The debt-to-revenue ratio was 73 per cent. It is no wonder that we lost the AAA credit rating. After eight years of Liberal Government, what did we hand over? The debt-to-revenue ratio, when we came into government in 1993, was 73 per cent. That is why the AAA credit rating went. When we left government after eight years, the debt-to-revenue ratio was 34 per cent - more than halved. We paid off debt in absolute terms and the debt-to-revenue ratio in two terms of government was more than halved, from 73 per cent to 34 per cent.

What has happened to the debt-to-revenue ratio in just one year? It has gone from 34 per cent to 39 per cent - up five per cent. The holy grail is starting to look shaky again with cracks appearing in it. The debt-to-revenue ratio - the new economic standard that this Treasurer was going to pursue relentlessly - went up five per cent. The debt-to-revenue ratio for the coming financial year, 2002-03, is forecast in the budget papers to rise to 42.4 per cent. That is up another three per cent. It went up five per cent in the first year; it will go up three per cent in the second year; and in the third year, 2003-04, it is forecast to rise another 1.5 per cent to nearly 44 per cent. It is then meant to level off and come down. Hang on! How will it level off and come down when at that stage the Government finally might spend some money on the south metropolitan railway? The Government reckons it will bring the debt-to-revenue ratio down in that year, yet the holy grail, the 45 per cent -

Mrs Edwardes: More taxes.

Mr BARNETT: The member for Kingsley is absolutely right: the Government will increase taxation and push out capital works. It will be exactly the same old scenario.

The Government carries on greatly about its budget surplus. I give it credit for that surplus indicated in the accounts of \$118 million. It should be acknowledged also that in the current financial year \$20 million was hoisted out of Western Power to try to cover up a looming deficit. The Government also had a windfall in revenue because there was an enormous amount of turnover in the property sector, particularly the residential property sector, largely due to a boost in the first home owner grant. That brought a revenue windfall; good luck to the Government. There were also a couple of large transactions in the mining industry that helped revenue. As I said before, there are swings and roundabouts. A policy decision was made to hoist \$20 million out of Western Power and to cancel \$35 million worth of programs. Nevertheless, the Government has delivered a surplus, which I acknowledge and which is not in dispute. It is not truly \$118 million because it includes an in-dispute stamp duty payment of \$40 million by Westralia Airports Corporation that I consider to be somewhat dubious.

The Government claims to have a \$119 million surplus for next year. That surplus is based entirely on the tax increases to which I have referred. It is not credible for the Government to say to householders and young couples buying their first home that it has delivered a surplus when it knows that that surplus has been achieved entirely by increasing the taxation burden on those people. If the Government increases taxes for a full financial year, 2002-03 will be the first year that the full impact of those increases in taxes over the two budgets will apply. The Government will effectively get a \$250 million increase in taxation because of policy decisions made in 2002-03. Is it all that flash or credible for the Government to say that it has a \$118 million surplus with a \$250 million increase in taxes? Why would it not have \$118 million surplus if it increased taxes by a further \$250 million in a time of buoyant revenues? The Government should spare a thought for young couples buying a median-priced house in Perth of \$180 000, because they will pay an additional \$500 in stamp duty.

Mrs Edwardes: That is their fridge or washing machine.



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Mr BARNETT: Yes. A significant part of the first home owner grant will be eroded by this Government's effectively increasing stamp duty. A young person buying a car for \$20 000 will pay an extra \$50 in stamp duty. That extra \$50 will matter to a young university student or perhaps a woman who goes back to work and buys a second car to commute to work. The extra stamp duty on a house of \$500 000 will be \$3 500. It is not uncommon in large parts of Perth for property prices to be \$300 000, \$400 000 or \$500 000. A range of additional taxes and charges apply under this Government. I shall refer to some of those increases in taxes and charges.

Mr McGowan: Can you come up with one example of where you would cut spending?

Mr BARNETT: Is that it?

Mr McGowan: Yes.

Mr BARNETT: Yes, the southern railway; that is worth \$300 million.

The increases in these taxes and charges amount to \$250 million in 2002-03, \$265 million in 2003-04 and \$276 million in 2004-05. Yet this Government says that it is a good financial manager because it is producing budget surpluses. It almost defies belief that it could not produce a budget surplus when it imposes an additional quarter of a billion dollars worth of tax every year in an economy when taxation receipts are rising both through the rise in the price of assets and the increase in turnover taking place in parts of the economy, particularly in commercial and residential property. I will put another dimension on it. Those tax increases over the term of this Government will amount to nearly \$1 billion of additional tax. The economy is buoyant at the moment, but that will not continue forever.

Dr Gallop: Come on, get on with it.

Mr BARNETT: I have unlimited time and I am quite prepared to speak until midnight.

As I said, the tax increases amount to a quarter of a billion dollars a year, which in the term of this Government will amount to \$1 billion of additional taxation. It is traditional to indicate in Treasury papers the effect of additional tax on households. It is simple to calculate. That was done in the first Labor budget. With subsequent increases added in, it amounted to about \$360 a household. Where is the information in this budget? Where is the information in this taxpayer-funded cartoon indicating the taxes that have been increased? Where is the information to employers stating that land tax and payroll tax have been increased? Where is the information to home buyers and young couples to indicate that they probably face a further \$500 in stamp duty when they buy a family home? If this Government were open and accountable, it would state what it has spent and from where the money came. The Government criticised the information that we as the previous Government issued. We indicated in pie charts and the like where the money came from and where it went. This cartoon simply presents a propaganda view of the budget. It provides no message or information about state debt or the increases in taxes and charges. That information was completely concealed or omitted from the cartoon. It was an insulting piece of information to put out to the people of Western Australia. I support the public dissemination of information, but this cartoon is an absolute insult to taxpayers and the community. It is a piece of propaganda designed to promote the Labor Party. It was not designed to provide accurate or detailed information to people about tax increases, the level of debt or even the relative proportions of expenditure within the budget.

What is the taxes and charges record of this Government? In 2001-02, water, sewerage and drainage costs have been increased by 3.5 per cent; compulsory third party premiums have been increased by two per cent; and motor vehicle licences and registrations have been increased by five per cent. A \$30 levy has been imposed on all building licences and the levy for parking in the Perth central business district has been increased by 70 per cent. Probate fees have been increased from \$145 to \$500 for estates worth more than \$100 000. What an extraordinary increase. What is the justification for increasing probate charges from \$145 to \$500? When did this open and accountable Government provide any justification for slugging families who are experiencing a bereavement? That is extraordinary. Most estates usually involve a family home. That increase will affect virtually everyone. It is an extraordinary increase in probate fees and is totally unjustified. No attempt has been made to explain it. The Government just let it sneak through. Where in this cartoon does the Government tell people that probate fees have increased from \$145 to \$500?

Mr Kucera: That was the last budget.

Mr BARNETT: Did the Government tell people then? It did not.

Mr Kucera: Start looking forward instead of looking backwards.

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Mr BARNETT: As Disraeli said, there are lies and damned lies. Omission is a form of lying. Omitting information about debt and taxation increases amounts to lying to the public of Western Australia. The information contained in this cartoon is a lie. It omits the detail. It is simply a piece of propaganda.

Payroll tax has been increased by 0.44 per cent - from 5.56 per cent to six per cent. It does not sound like much. However, that will represent a burden on employers of close to \$100 million. This Government has failed to index or in any way increase the payroll tax threshold. Every year more small businesses will become liable for payroll tax simply because of the escalation in the gross value of the payroll. The budget provides no relief for small business at all. It has been a tradition in this State that the exemption levels are increased so that small business is not subject to payroll tax. This State Government has not provided any exemption or raised the threshold in line with indexation to ensure that small businesses are not caught by payroll tax. Payroll tax was to be extended to apply to employee-like contractors. Like the premium property tax, the Government backed off on that. However, the budget papers show that compliance procedures are effectively taking more tax from companies. When this Treasurer is asked for information about compliance procedures for payroll or land tax, he gives an assurance that information will be supplied. That information never arrives. We never get the letter containing the information.

This year's budget includes a threefold increase in court fees across all jurisdictions, which will especially affect corporations; an increase in water rates of 2.9 per cent; a further \$150 increase in CBD parking levies; and an increase in transport fares of 2.6 per cent. The extraordinary increases in stamp duties amount to almost \$100 million.

Tax competitiveness is another issue. The Treasurer seems to have the view that the critical thing about tax is how our taxes compare with those in other States. That is important. He claims that our tax competitiveness is unaffected. In fact, under this budget, it will deteriorate by five per cent. The Treasurer now claims that our ranking compared with that of other States has not changed. If the Treasurer wants to talk about tax competitiveness, he should admit that a deterioration of five per cent will take place as a result of the increases in taxes. I remind the Treasurer that, for many companies, investment decisions are not a choice between Western Australia and South Australia or New South Wales; they are generally a choice between Western Australia and some offshore destination, particularly one in Asia.

The Labor Government claimed that it would fund its election commitments by making savings across the public sector. Had it made those public sector savings, we would not have had an \$891 million increase in state debt. Despite repeated requests from the Opposition, the Labor Party has been unable to at any stage document where the savings have been made. It has talked about priority dividends, but it has not been able to detail in any portfolio which programs have been cut and the savings in the number of full-time equivalents. A feature of this year's budget is that it is impossible to identify the savings that the Labor Party claims to have made. The budget format makes it extremely difficult to compare programs over a number of years.

I would like to draw attention to a few particular projects and aspects of the budget. I have already talked about the southern rail link, which is looming as an absolute farce. I will not go through the debate because we had that last week. However, I again remind the House of the simple questions we have asked, such as whether the train is longer than the platform or the platform longer than the train. The new railway route is meant to make the trip to Mandurah 12 minutes quicker, but will be delivered two years later. The railway was to go into Rockingham, but it will now go past Rockingham. The railway will serve only white-collar employees within the CBD. It will not serve blue-collar workers and will not serve across metropolitan areas. Even today the minister could not provide any information about the costs of tunnelling or trenching into the CBD, presumably down William Street. It has now been 15 months since the decision was made. It is obvious that the minister and the Government made a political decision to change the railway route. It did not have engineering advice or costings when it made that decision. It had no idea. A year later, it still has little idea as to how much the project will cost.

Mr Ripper: I was interested in your comments on the Rockingham line. My understanding is that the original Rockingham loop proposal added \$108 million to the cost of the railway. Are you saying that if you were in government, you would restore that original Rockingham loop proposal at a cost of over \$100 million?

Mr BARNETT: We would build the original railway. Construction of the Kenwick interchange had started. That was the first bit that needed to be built because that was where the railway would have started. The line would have been built out from there. We had done the proper work. We engaged a lot of professional expertise, both within government and through consultants, to look at the optimum route for serving people, including those in your electorate, Mr Acting Speaker (Mr Andrews). Those people, and the people in the electorate of Riverton, will not get a rail service. They would have had one under the coalition Government.

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This route will not serve the same population. It will not serve some of the growth areas. Under this Government, it will no longer go into Rockingham. After a year, neither the Government nor the minister can detail the costings. The minister cannot even tell us details about the design of the project. The two-year delay and the \$200 million to \$300 million cost blow-out are unlikely to be the end of it.

Mr Ripper: That is cost escalation. That is not a blow-out. That is an inevitable escalation because the previous Government's costings were done in 1998-99.

Mr BARNETT: A ministerial statement released in November 2001 said that the cost of the railcars and maintenance for 15 years would be \$300 million. Another statement, released barely six months later, said that the cost of the railcars plus maintenance over 15 years would be \$437 million. That is not escalation. That is nothing like escalation. It is gross incompetence.

Mr Ripper: That has been dealt with. It has been explained to you over and over again.

Mr BARNETT: For that to be escalation, this country would need a rate of inflation of close to 100 per cent. Argentina achieved that. I assure the House that Australia is not achieving annual rates of inflation of close to 100 per cent. That is not escalation.

The Government has no idea about the central city station. We will have this farcical situation in which people will have to run through the city to catch the next train. The Government made political decisions to try to make the latest proposal the Labor Party railway. It made a political decision not to provide a rail service to Riverton, Southern River and Rockingham, and it has delayed its construction for two years. Who knows what the cost will be? What has happened to the Clarkson extension? That has been delayed for 18 months. Is that included in the costings? I think the Clarkson extension has dropped off the list. The Treasurer should not talk to me about escalation. Escalation is about three per cent. Given that the Australian dollar has appreciated in value, the Government should make a saving. The dollar has appreciated when significant technology and components are to be purchased offshore. The increase in the value of the Australian currency from 50c to 55c in the American dollar has been helpful. The Treasurer should not talk about escalation.

Mr Ripper: You left us with an outdated set of figures that we had to responsibly adjust for the new costs that would have inevitably arisen regardless of who was building the railway.

Mr BARNETT: After the Government took office, the Premier said with grand bravado, as he likes to do on a weekend, that the rail route was to change and that the cost would not exceed the budget of \$1.2 billion. We have since heard that the cost has escalated due to design changes and costings that were wrong. Members opposite had been in government for some time when they put the stamp of \$1.2 billion on the cost of the rail line.

The most significant environmental issue in Australia and Western Australia is salinity. The Labor Party said it would allocate another \$10 million to salinity. However, after many months, it has not reached agreement with the Commonwealth. The Minister for the Environment and Heritage said that she would write another letter because the Commonwealth had not replied to previous correspondence. Does she want us to provide the postage stamps? This engagement in letter writing is an inept performance aimed at reaching an agreement that every other State has reached. Where in the budget is the extra \$10 million? Not one extra dollar has been allocated by this Government towards salinity. It is spending old money.

The Government has deferred the expenditure of \$12 million on the forest workers assistance package. So much for the Government's commitment to the forest industry. The Government may claim that it saved old-growth forests, but what has it done for the workers and towns? Little wonder the Premier lacks the courage to visit Manjimup or Pemberton. I have never known a Premier of Western Australia of either political persuasion to lack the courage to visit an area that has a problem. In my experience, every other Premier, both Labor and Liberal, has had the courage to confront issues. For the first time we have a Premier who lacks the courage to drive - he could fly if he must - for two and a half hours to visit the timber area in the south. He has failed to confront people. The Government has sent out little fliers to members of the community that indicate that they can purchase their basic, existing, wooden - I think heritage-listed - homes for \$90 000 to \$95 000. That information has been provided to people who have lost their jobs and who have limited skills and limited prospects of finding new jobs or being retrained.

Dr Gallop: You have just misrepresented the position yet again.

Mr BARNETT: If the Premier ever visits Manjimup and Pemberton, as has every member on this side, he should walk through the timber mills and see what people do. They saw timber; they hold very basic jobs, but they are happy and they enjoy their work. The timber is fed through a conveyor system and the employees grade

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and sort it, as they have done for 20 or 30 years. They are not highly paid workers. A high proportion of them are women. Is their annual pay roughly \$35 000?

Mrs Edwardes: If that.

Mr BARNETT: It is a low income, low skilled job, albeit one they enjoy due largely to the camaraderie. They are trained on the job and they become skilled at judging flaws in timber and at grading it. They will not become cappuccino waiters in the tourism industry; yet this Premier has bleated about how he has saved the old-growth forests. He has shown no compassion for the communities or the individuals. The callousness of the Government's policies was manifest in the notices sent to people who have lost their \$35 000-a-year jobs and who have no prospects. The notices said that they could buy the homes that, presumably, they have lived in all their lives. Does the Premier know what they will do? As I said in this place a year ago, they will be offered redundancy payments of \$40 000 or \$50 000 - more money than they have ever seen at one time in their lives. Does the Premier think they will buy a house in Manjimup or Pemberton with that money? They will take the \$40 000 or \$50 000 and move somewhere else. They will come to Perth, Rockingham or Mandurah.

Mr Hyde: Will you let them stay, or move to City Beach?

Mr BARNETT: Is that not a typical comment by a Labor Party member? I am trying to talk seriously about the constituents of the member for Warren-Blackwood. I am talking about people who earn \$35 000 a year, who have lost their jobs and who will receive redundancy payments of \$40 000 or \$50 000. In all probability those people will not be able to borrow money from a bank to buy a house. In the light of that, what does the Labor member for Perth say? He says, à la Marie Antoinette, "Go and live in City Beach."

Mr Hyde: I didn't say that.

Mr BARNETT: Yes, he did. His comment was akin to "Let them eat cake." The interjection was "City Beach".

Mr Hyde: I did not say that.

Mr BARNETT: If it was not the member for Perth, it was one of his colleagues on the other side.

Mr Hyde: Didn't you say that they would move to Rockingham?

Mr BARNETT: As if someone who has lost his job and received a redundancy package of \$40 000 or \$50 000 and who has little or no savings would live in City Beach. What a smart alec, insensitive, callous comment that was. Members opposite should not look stunned. Everyone on this side of the House heard the comment.

Dr Gallop: Everyone? There are seven Liberal members.

Mr BARNETT: We heard the comment about City Beach. It is little wonder we hear things like that when this Labor Party is more interested in gay and lesbian law reform and decriminalising cannabis than in looking after workers in Manjimup and Pemberton. The Premier is more interested in those issues than in talking to displaced workers in the timber industry and other members of the community in schools and hospitals. He is disinterested.

The member for Collie will not even say in this Parliament one word in support of Western Power and coal industry workers in his town although this Government and this minister want to break up Western Power. There is an argument about that. On a number of occasions, I met the member for Collie, who was a union representative - his views are not those of my side of politics - and his colleagues, to discuss various issues including the Premier's failure, when he was a minister in the previous Labor Government, to build the Collie power station. I took him at face value as a decent working man who was standing up for the union movement.

Mr Hyde: He is a decent man.

Mr BARNETT: Yes, he is. Why can he not say a single word in this Chamber in support of workers in his community? He is from the union movement. He has represented the unions in Collie, passionately at times; yet we have not heard a single word from him.

Mr Ripper: Have you read the local Collie newspaper lately? He stands up for his workers.

Mr BARNETT: Members who want to stand up for their electorates take the steps that the member for Warren-Blackwood has taken. Members should stand up in this place for their constituents even if it means they risk being thrown out of the Chamber. The member for Collie has not opened his mouth once on behalf of workers in the energy industry.

Mr Hyde: Why don't you call a quorum? You have only eight Liberal members in the House.

Several members interjected.

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The ACTING SPEAKER (Mr Andrews): The noise at the back of the Chamber is not in the form of interjections that address the matters about which the Leader of the Opposition is speaking. I need to hear the Leader of the Opposition.

Mr BARNETT: I will not call a quorum, but I could talk for another two hours about a Labor Party today that represents minority groups. Many great leaders of the Labor movement have been in this Chamber. We now have a Labor Party interested in only drugs, gay and lesbian issues and a few others. I will not go on. If I talked for another two hours about what the Labor Party stands for today, I could not say it better than a member of the Australian Labor Party in this Chamber who, when the issue of displaced workers in the timber industry was raised, effectively said, "Live in City Beach." That says more than I could say in two hours. When I go to the electorate of the member for Warren-Blackwood for the fourth time I will be telling some of his constituents that that is the view of the Labor Party - buy a place in City Beach. That is how much the Labor Party today cares about workers. It does not give a fig about working people any more; it does not care about their wages or their conditions; and, most of all, it does not care about their right to work, to have the dignity of a job, to go to work every day and do a day's work, to come home, to own their house and be independent. Members of the Labor Party are too interested in gay and lesbian issues and putting drugs on the street so kids can get access to them, and pandering to the gay and lesbian lobby and the drug lobby. This is a Labor Party that governs for minority interest groups; it does not stand up for the values of former Labor leaders or the many proud and outstanding people from the labour movement who held high office in this Parliament.

I now move on to the homeless strategy issue. This is another one of those grand announcements. The Premier announced that an additional \$32 million would be allocated to tackle homelessness, the sort of cause one might expect a Labor Party to take up. When asked a question in the other House, Hon Tom Stephens had to admit there was nothing in the budget for this. He admitted it. The Premier issued a press release on a Sunday announcing that \$32 million would be allocated for homelessness. The media picked that up and ran with it. Why would the media not run with it on the weekend? There was very little opportunity to check it. The press release got on the news; there was the Premier on the news on a Sunday night, preening and strutting around saying there was \$32 million for homelessness. The minister in the other House was asked a straightforward question: where is it in the budget? It ain't in the budget!

Mr Ripper: It is real money.

Mr BARNETT: It is real money, but it ain't in the budget! Where is it? It is another weekend announcement. It is a bit like the \$437 million railway forged in steel.

Where are the credentials of the Labor Party on the environment? The Labor Party came out with the slogan, "We will stop old-growth forest logging". That was politically effective. Old-growth trees are being logged today. Government members laugh. It is a reality.

Dr Edwards interjected.

Mr BARNETT: Can the Minister for the Environment tell me today that old-growth trees are not being logged?

Dr Edwards: You are just amazing.

Mr BARNETT: She should not giggle, but just tell us: are old-growth trees being logged?

Dr Edwards: If the Leader of the Opposition wants to get some facts into this debate, why does he not start putting some facts into his speech? Why does he not tell the truth about the houses in Pemberton?

Mr BARNETT: Give me one fact: are old-growth trees being logged today? That is a pretty straightforward question. Old-growth trees are being logged today! Many of the trees that are being logged are in areas where they should not be logged. This Government is logging trees close to towns and in tourist areas, and it is leaving trees at the back, which no-one sees, and it goes around saying, "We saved the old growth." I recognise this Government's policy. The minister will not answer the question. It is a pretty straightforward question: are old-growth trees being logged? Yes or no?

Dr Edwards: Tell us your answer.

Mr BARNETT: The member is the Minister for the Environment. She gets paid \$170 000-plus a year -

Mr Ripper: That is what really rankles.

Mr BARNETT: No, I get the same, so I am not upset. She cruises around and makes announcements. It is a pretty straightforward question: are old-growth trees being logged today? Yes or no? When I asked the Minister for Planning and Infrastructure whether the trains were longer than the platforms or the platforms were longer

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than the trains, I recognised that it was a tricky question, but I do not think this question is difficult. Are old-growth trees being logged today?

Dr Woollard: The answer is yes!

Mr BARNETT: I thank the member for Alfred Cove. Of course they are. Everyone in this Chamber knows that old-growth trees are being logged today.

Dr Gallop: What is the issue then? What is it all about?

Mr BARNETT: The issue is about honesty in policy.

Dr Woollard interjected.

The ACTING SPEAKER (Mr Andrews): Order! The member for Alfred Cove will come to order.

Mr BARNETT: The issue is very straightforward. It is not about putting out cartoons and statements which tell part of the story but not the full story. If this Government gets up and says, "We will stop old-growth logging", children in schools -

Dr Gallop: They know what we mean because they are not stupid, unlike certain people on the other side of this Parliament.

Mr BARNETT: No, they do not. It is very simple. If this Government says to the public, including kids in schools, "We have stopped old-growth logging", kids believe old-growth trees are not begin logged; but they are being logged. I have asked a simple question in this Parliament: are old-growth trees being logged or not? The Minister for the Environment cannot answer the question. In fact, she can answer the question; she knows the answer is yes, but she chooses not to answer the question because it would take away the slogan. It is all about Labor Party politics. The minister knows very well that old-growth trees are being logged today. Everyone knows old-growth trees are being logged every day, but if the minister admits that, she takes away the slogan of the campaign; she destroys the myth. What is wrong with being honest and saying, "Old-growth trees are being logged but our policy has preserved the old-growth forests and it has preserved this area and that area"?

Mr Ripper: There is no logging in old-growth forests.

Mr BARNETT: The Government is logging old-growth trees. Children in primary school believe there are no old-growth trees being cut down. They are being cut down every day.

Dr Woollard: They are protected in areas identified by the Regional Forest Agreement. There are lots of high conservation value areas where there are old-growth trees and they are being logged day by day. This Government said it would look at those high conservation areas and within a year would stop that logging, yet the trucks are still coming out of those areas.

Mr BARNETT: I did not think that was as difficult as the platform question. I thought the platform question was a tough one, but I thought the question about whether the old-growth trees were being cut down or not was not all that difficult. Our policy will be honest and we will not mislead people.

Dr Gallop: What is it?

Mr BARNETT: We will release our policy when we want to. I will tell the Premier what it is right now. The cut for jarrah can be at least 180 000 cubic metres and the cut for karri can be at least 50 000 cubic metres.

Dr Edwards: It will definitely be in the old-growth forests.

Mr BARNETT: There may be some. I do not deny that. This Government is cutting down regrowth trees. It is going into areas in Pemberton - the Premier would not know this because he has not been there for two years - and it is cutting down areas of magnificent forests, the sort of stuff that is represented in brochures as the iconic forest, but which is actually regrowth. I have never seen a minister look so foolish as when the Minister for the Environment came in here holding her brochure saying, "We have saved old-growth forests", and the member for Warren-Blackwood was able to point out that it was actually a regrowth forest. She is the Minister for the Environment!

Mr Ripper: That is exactly what is going on here: muddy the water, old-growth trees, old-growth forests - confuse the issue. The Opposition will go back into old-growth forests.

Mr BARNETT: We have never said otherwise.

Mr Ripper: This is the news out of this budget response. You are going to go back into logging old-growth forests. That is the Opposition's policy.

Mr BARNETT: One hundred and eighty thousand cubic metres.

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Dr Gallop interjected.

Mr BARNETT: Government members can go through 12 years of *Hansard* if they wish. I have probably spoken every week of those 12 years in this Parliament. I would not deny that I have made mistakes, but members opposite will not find a single lie; they will not find a half truth. They will find the truth. They will not find me coming in here saying that I have saved old-growth forest when old-growth trees are being cut down every day. They will find an honest policy.

Mr Ripper: This is a good challenge. We might go back through the *Hansard*.

Mr BARNETT: I do not deny that I have got things wrong and made mistakes. However, government members will not find a lie. They will not find me standing up at election time and saying that there will be no increases in taxes, and then increasing tax by \$150 million.

Dr Gallop: What about the gold royalty? Can we talk about that one?

Mr BARNETT: We can talk about that. I went to the gold industry and said that a royalty would be imposed. The industry did not like it.

Dr Gallop: That is not what the Government of the day said. It said there would be no gold royalty.

Mr BARNETT: I am talking about personal character.

Dr Gallop: Are you accusing former Deputy Premier Hendy Cowan of telling lies?

Mr BARNETT: It is about personal character.

Dr Gallop: Personal character! Hendy Cowan issued a big advertisement that said there would be no gold royalty. He was the Deputy Premier of this State.

Mr BARNETT: It is about personal character. The Premier should try to find an example of my saying that there would be no gold royalty. He will not find one.

Dr Gallop: You were part of the Government.

Mr BARNETT: This is about character. I have the video of the Premier saying that there would be no tax increases, when there were. I can find the lies. The Premier might find mistakes or errors, but let him try to find lies.

Mr Ripper: We might examine power procurement.

Dr Gallop: That would be interesting. What about power procurement in the Cabinet? The former National Party deputy leader might care to talk about that. That would be interesting.

Mr BARNETT: The Premier should go away and read 12 years of *Hansard*. The question will come down to a matter of character and integrity.

Mr D'Orazio: This is about policy, not character.

Mr BARNETT: Why does the Government allow the cutting down of old-growth trees? Does the Government of the member for Ballajura allow the cutting down of old-growth trees? Of course it does. He has no answer. He comes in with a big interjection and then has nothing to say. We know that this Minister for the Environment presides over the cutting of old-growth trees. I am not objecting to that. All I say to the Minister for the Environment is that she should be honest with the public. This Government has a policy that preserves far more forest than happened under the previous Government and the Labor Government before that. There is no question about that. The Minister for the Environment should be honest and say what she is actually doing. She should not say to kids, parents and environmental groups that the Government will save old-growth forests when it is cutting down old-growth trees today. All I say is that she should be honest with people. My point is proved today, because the Minister for the Environment has not been able to answer yes or no to the question. She knows the answer - the answer is yes - but she will not say it because it would destroy the slogan, the propaganda and the comic-type policy approach.

Capital works in the education budget this year were cut by \$10 million. That is a reality. The Government has announced \$126 million extra for education and training. It refers to the school at Mt Lawley, which is a good thing. However, where is the truth? Where is the statement that says the capital works program was cut by around \$10 million? Why did the Government not tell the people of Western Australia that the budget for capital works for schools has been cut by \$10 million? I would have thought that was a fair thing to say. In the little caption for education in the cartoon before me the Government does not tell people that. That is why it

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represents propaganda rather than genuine information. It is simply a propaganda exercise and not genuine information for the purposes of telling the public what has happened in the budget.

I am not quite sure why it did, but the Government promised a police royal commission that would cost \$15 million. The Royal Commission Into Whether There Has Been Any Corrupt or Criminal Conduct by Western Australian Police Officers has spent \$5 million so far. It has not held a hearing and has not heard a witness. The Attorney General says that the royal commission will now sit for an extra 18 months, and that is why it will cost more. Why should it sit for an extra 18 months? It is because the task and the terms of reference imply more work, more hearings and more witnesses. That is why it will cost - what?

Mr Ripper: \$28 million.

Mr BARNETT: Is that the final word?

Mr Ripper: That is the budget.

Mr BARNETT: The budget last year was \$15 million, and it is now \$28 million. What will it be next year?

Mr Ripper: That is the budget amount for the royal commission.

Mr BARNETT: It was going to be definitely no more than \$15 million. When Mike Dean, the President of the Western Australian Police Union, and I said that the budget would go to \$25 million or \$30 million or more, there was outrage. The Government would not have a bar of it. It said that it would not happen; that it was in control; that the royal commission would be over in a year and cost \$15 million. The Government has delayed it. It will now take 18 months and not 12 months. Its cost blow-out is at least 50 per cent, if not more. That is before a single witness has been called.

Mr Ripper: A good royal commission, like the Wood royal commission in New South Wales, spends a fair amount of money on investigations prior to the hearing. That is what makes the hearings successful. This royal commission will emulate some of the activities of the Wood royal commission. Therefore, the investment up front before its hearings is important.

Mr BARNETT: That is an interesting point. If the Treasurer takes the model of the Wood royal commission or the Fitzgerald royal commission, he will know that both those royal commissions required additional powers that required legislation. If the Government were doing this \$5 million of planning, surely some bright spark would say that it needs powers, some other equally bright spark would say that it involves legislation and Parliament, and a third bright spark might say that maybe the legislation had better be passed before the Government starts spending money. What a joke! Had the Government done \$5 million worth of forward planning and preparation, surely it would have thought of bringing in the required legislation. Some \$5 million has been spent. There have been no witnesses and no hearings, and the legislation is in the upper House and has not been addressed. What will the Government do?

Mr Ripper: You might tell us, as Leader of the Opposition, whether you will do anything with your upper House colleagues being so unproductive on the legislation.

Mr BARNETT: That is interesting. What does the Government want? It has spent a year debating gay and lesbian reform, which is its most important priority. It has new industrial relations legislation going through the Parliament because the unions have stirred the Government up on that. I presume industrial relations are currently the Government's most important priority. The Government now says that the royal commission deserves it. The Government should tell us what it wants to do. If the Government approached the Opposition and said that it wanted to debate more royal commission powers, we could put the industrial relations legislation to one side. The Government should work it out. It is running the Parliament. What does it want to do? Does it want to talk about drugs and gay and lesbian reform, which are its priorities? It should not bleat to us about not being able to get legislation through the Parliament. It has spent a whole year debating that legislation and legislation for electoral change, which is the other priority - taking the vote away from country people. It wants to reduce representation in country areas, legalise cannabis and look after gay and lesbian minority groups. Those have been the Government's first year's priorities. It is little wonder that the Government has got no real legislation through the Parliament.

The community development budget has also had a significant cut. Parenting centres, which have not been established all that long, have been widely acclaimed for working well, yet the minister said that they will be moved out of shopping centres and into health centres and so on. The minister said that there were no funding changes but all of that would happen. Does the fact that some of the centres closed at 5.00 pm on Friday, the day after the budget, indicate a caring, sensitive Government? Bang, the shutters came down. It was clearly a premeditated act. One would have thought that if that premeditated act had been put in place that an alternative



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arrangement would also be put in place. Was it? No alternative arrangement was put in place. The ludicrous proposition is that somehow or other poor people who are most in need do not go to shopping centres. The most obvious way to access a wide cross-section of the community is to access them in shopping centres. One of the issues in early childhood education is to get kids to go to school. Some of the most disadvantaged groups in the community do not send their kids to kindergarten or preprimary school. If the Government wanted to reach people, placing services like that in shopping centres has a logic. To close them without any effective alternative in place demonstrates a Government which lacks sensitivity and which has done no planning. The Minister for Community Development has a lot to answer for - she is not performing.

Mr McGowan: That sounds reasonable on the face of it, but one of those centres is located in the shopping centre close to my electorate office and there is never anyone in it. The point might be reasonable, but for the fact that the evidence indicates the contrary.

Mr Johnson: How can you possibly make a statement like that? You are in Parliament three days this week; you are not standing outside that centre. Perhaps you should go there; you might need its help. You might be a more reasonable person if you did.

Mr BARNETT: The Government boasts about providing \$30 million for policing. The budget papers and press releases indicate a 3.35 per cent real increase in the police budget. With an inflation rate of three per cent, that is a 6.5 per cent increase. However, the Government did not mention the five per cent decrease in last year's budget. It is simply re-establishing the previous budget. That is the reality. If the Government claims that it is providing extra funding, it should acknowledge that it cut the budget by five per cent last year.

Capital works funding for police services has been reduced by 8.1 per cent for 2002-03. Only three new police stations will be built. One of the good things the coalition Government did was to start rebuilding police stations and equipping them properly. They were provided with basic equipment such as fax machines, adequate interview rooms and so on. The standard of new police stations built recently in this State is outstanding. The former Minister for Police might remember how many new police stations the coalition Government built.

Mr Day: About 25.

Mr BARNETT: Many more must be built. That infrastructure is important for the morale and profile of police officers. It is also important in assisting them to do their jobs. They must be able to separate people detained for questioning, investigation and charging. However, the police budget has been reduced by 8.1 per cent.

The Government also announced \$139.5 million worth of new works in the police budget. Only 15 per cent of that - or \$22 million - will be spent in the coming financial year. It is very easy to quote big numbers when multiplying one year by four, but is it truthful? Some of the increases in spending referred to in the budget documents relate to three or four-year timeframes. People reading these documents believe it applies to the 2002-03 budget and that that money will be spent during next financial year. It will not. Is that being open and accountable to the public?

The budget includes a 2.3 per cent increase in education expenditure. There must be a real increase in education expenditure every year, simply because education is vital and that in any given year the school population will increase by 22 000. If there is no real per capita increase in expenditure the education budget is effectively being cut. Last year's budget delivered a real cut of 0.5 per cent. Over the past two years, 44 000 more children have entered the school system. However, the 2001-02 budget imposed a real cut of 0.56 per cent and this year it will be 2.3 per cent. Effectively, that represents a two per cent real increase over two years. The student population growth exceeds that. The so-called increase is barely keeping up with the increasing number of students in the school system. That is not good enough. If education is a priority, as it should be for every Government, we must increase funding to allow for growth in the student population and, hopefully, to provide an ever-improving education service.

I find it ironic that the Government criticises me for spending on schools when I was the Minister for Education. I do not regret one dollar of what the previous Government spent on schools. On average and in nominal terms, the coalition Government increased education funding by eight per cent each year. We have been told that that was irresponsible and that it was wrong to invest in children. This Government has allocated no real increase to education, certainly not on a per capita basis. The previous Government implemented major changes to the education system, including introducing a kindergarten and preprimary program - which effectively created a thirteenth year of education - and providing \$100 million worth of computers. This Government criticises a program that brought our schools up to date with technology when they were languishing far behind the facilities provided in some other States. The coalition put another 32 000 computers in government, Catholic and independent schools. The Minister for Education and the Treasurer ridicule that program; they tell people that

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the former Government did not allow for maintenance. Putting 32 000 computers in schools in an area the size of Europe can result in maintenance problems. There were problems and some are yet to be resolved. The Government will experience the same problems with the online technologies that are now available. I challenge members opposite to go into any government school in their electorate and then to tell me that the kids do not have fantastic, up-to-date, effective equipment. Every government and Catholic school in Western Australia has publicly funded computers. The ratio of students to computers was dramatically decreased. The only response from the then Opposition was criticism; members opposite made fun of it. They did not realise - nor did I as Minister for Education - how effective that technology was for very young children, particularly for those from low socioeconomic backgrounds who did not have access to computers at home. Many families thought that a Nintendo was a computer. When they were asked whether they had a computer at home, five and six-year-olds said that they did. We did not realise the disparity in computer access in our community. It was found that Aboriginal children learnt better and quicker on computers than anyone else in the education system. That was a windfall in education. Many teachers - particularly older teachers - had to learn computer skills.

Did we get any support for that educational advancement from the Labor Party? All we got was criticism and ridicule. Not one member of the Labor Party stood up for advancing technology, for teachers who were going through retraining or for children from lower socioeconomic areas who were seeing and using computers for the first time. Do members opposite understand how important that was for those children? They had never touched a keyboard, and they saw boxes and boxes of computers in their schools. Problems were experienced with cabling and installing computers in old schools that were not designed for them. Implementing the program was not easy and it was expensive. However, members opposite offered only criticism and ridicule.

Mr Pental: I have not previously heard that Aboriginal kids took to computers more quickly than other children.

Mrs Martin: It is true.

Mr Pental: Why is that so?

Mr BARNETT: I am not an educationalist; others might know better.

Often little Aboriginal kids are shy. Computers allow them to work in their own space. The member for Kimberley might help me if I am incorrect, but often they would lose face if they got something wrong and they did not handle that very well. However, an interactive computer program could say to the child, "Johnny, try again and do something different." It has been brought to my attention that 25 per cent of students in a school in Geraldton are Aboriginal. They thought the computers were fantastic. They worked away on keyboards and were beginning to learn whereas they had not learnt before.

There was no increase in the health budget in 2001-02. We know that the State has a growing and ageing population. The cost of pharmaceuticals is rising because most of the more exotic drugs are imported, which affects the Australian dollar. Despite the Government not increasing the health budget in 2001-02, government members have tried to make big fellas of themselves by increasing the health budget by 1.3 per cent in 2002-03. As with education, a 1.3 per cent increase in the health budget will barely meet the cost of providing the existing service. Despite the rhetoric, the cartoons and the propaganda, this Government is not truly directing additional resources into education and health.

During question time today, the Minister for Health carried on about the \$99 million increase in health spending. I am interested to see how the health budget this year compares with the same statistics for last year and the year before. If the minister wants to make claims about the health budget, he must compare the same measures in this budget with the previous years. We will see whether the increase is \$99 million or whether the funds have been drawn out of reserves or whatever.

I now refer to regional and country health services. Country members on this side of the House, and on the other side if they are honest, know that there is a looming crisis in rural health. It is always a difficult area. People in country areas are losing the sense of identity of their health care. The minister is running around the State intimidating people, shifting responsibility, closing down hospital boards and giving control of country health services to the bureaucracy.

Mr Hyde: We are funding the Denmark Hospital; for eight years in government you refused to do that. The coalition allocated zero dollars.

Mr House: Talk about an area you know something about.

Mr Hyde: I do. The Government has given \$400 000 for the Denmark Hospital but it received nothing from eight coalition budgets.

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Mr BARNETT: The Denmark Hospital must be replaced; however, the nominal allocation of money for capital works is small. The reality is that big promises were made but small amounts of money have been allocated and are spread into future years when the Labor Party will no longer be in government. Significant funding must be provided to do something positive for education and health.

We will consider the budget in the estimates committee. I give the Government credit for containing spending. The Treasurer has done a better job on that issue than I thought possible given the election commitments. However, it falls over because the surplus is generated by massive tax increases. To increase taxes on the Western Australian community by \$250 million a year is an enormous impost. There is not the depth or resilience among families or businesses to sustain that. If members opposite think that the buoyant economy will go on forever, they will be disillusioned. State taxes come from commercial activity, which, by its nature, particularly commercial and residential property, is cyclical. It is more cyclical than the economy as whole. In other words, if that activity is high, there is a surge in revenue, as has happened this year. Good luck to the Government. However, equally, even a modest slowdown in commercial and residential activity will see a sharp fall in the amount of receipts coming to the State Government. The Government should have seized the opportunity and not imposed that tax impost. It will not be a good scenario if a slowdown in commercial activity occurs at the same time as the full impact of stamp duty and other taxes are felt. In my judgment, the Government must make wise decisions during good economic times. The Government has had good economic times, yet it has failed.

The increase in state debt is unsustainable unless the Government considers privatisation. The Government will not conceal state debt by public-private partnerships because that would very quickly show up as an increased cost on recurrent expenditure. With due respect to my friends in the private sector, the Government will find that that is simply another way of lending money; nothing more and nothing less. It is another way of doing business. The Government is very badly misguided if it believes that the private sector will lend it money at a cheaper rate than it could borrow through Treasury.

Mr Ripper: The cost of private finance is higher than the cost of public finance. These deals can be justified only if the risk is transferred to the private sector.

Mr BARNETT: The Treasurer will find that the risk will be transferred back to the public sector in a variety of ways. When I was the Minister for Energy, I changed the ill-fated Collie power project because the shifting of risk from the so-called private power station at Collie meant that the cost blew out by hundreds of millions of dollars. The Government will find the same thing. The private sector will inevitably find ways to ensure that the cost is sheeted home. Under public-private partnerships, although the Government can build projects, it will lack the discipline to close things down.

The role of the Government is to ensure that the services are where the people are. For example, in 1999, as Minister for Education, I made the decision to close several high schools on one day. That was not an easy decision. I closed the Hollywood, Swanbourne, Kewdale and Scarborough Senior High Schools. At the same time, I announced upgrades to the Halls Head middle school, the senior college in Mandurah, the Belmont City College, the Carine and Churchlands Senior High Schools, and the building of a new Shenton College. The point of that was that after a lot of careful work, anguish and protest - as should happen in a democracy - decisions were made to close some schools and to build new schools. The net cost of \$40 million or \$50 million to the Government was substantial. The schools being built were far better than the schools being closed, and they serviced more students. The point is that it is easy to build a new school; it is far harder to close an old one.

Under public-private partnerships, Governments, inevitably attracted by the lure of private sector finance and wanting to do popular things, will build new schools or whatever, but will not bite the bullet and close the old ones. That will result in a long-term deterioration in a capital asset owned by the State and in a long-term increase in the total cost of providing those capital assets. That is the danger, and it has happened elsewhere. I am very cautious of public-private partnerships. It is legitimate for the Government to borrow money for income-earning assets or even for assets that do not break even. If they generate cash flow, it makes sense. Although power stations, water services and even hospitals might not be profitable and might require subsidies, they generate cash flow. However, although they provide benefits to the community, the Government should not borrow money for police stations, roadworks, bridges, schools or whatever because they do not generate cash flow. The Treasurer might justify doing that to the Caucus - good luck to him if he does - but I do not think that he will do that. He might try to justify it as a social benefit with a social cost. I can just hear the arguments now.

The weakness of a social benefit is that it does not provide a dollar to pay off a financing arrangement with a private financier. That is why prudent Governments have funded those type of capital assets out of their recurrent revenue. For example, the Sir Charles Gairdner Hospital is essentially funded out of recurrent income.

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Large borrowings were not made to fund that hospital at the time; it was prudently funded out of cash flows due to the good, buoyant economic times of the day. It could be argued that it could be funded - probably some part of it has been - out of borrowings. The Government must be careful. There is nothing wrong with borrowing for income-generating, life-long assets. However, I am concerned about borrowing for assets that may have a long life but do not generate income. A social benefit cannot be cashed.

Mr Hyde interjected.

Mr BARNETT: I do not take interjections from the member for Perth.

Mr Hyde: Didn't you build two primary schools through home builders, which I believe was quite laudable? They were spec-built homes so that eventually they returned to being homes.

Mr BARNETT: Yes, I did. A program was taken from South Australia.

Mr Hyde: That is a private-public partnership.

Mr BARNETT: No, it is not. That was a project to bring primary education into a new residential area ahead of the time at which it could be justified to build a new school. We did not finance the project through the private sector. The private sector built the homes and we simply paid a rent; it was not a private-public partnership. We rented them, as the Government rents office space in the central business district. We simply signed a rental agreement and paid rent for a year or two years until student numbers rose and a school was built. The decision to go into a school in house or a school in shop was always tied to a timetable to build a school, which was generally determined on student numbers. There was no fancy finance or a private-public partnership; we simply rented premises. I have no problem with renting premises, which is different from entering into private-public financing and apportioning risk and the like. These are different concepts. There is nothing wrong with renting land. These were short-term rental arrangements simply to bring forward education.

I will conclude my comments with that remark. I look forward to the estimates committee hearings. I correctly foreshadowed that the issue in this state budget would be debt. Although members opposite chose not to focus on that, I assure them the community understands that if a Government increases state debt, the community will ultimately pay. Just as a previous Labor Government lost control of debt, the finances of the State and the AAA credit rating, this Government will place them at risk. If it continues down the path of expenditure on its programs, it will be forced either to change them or to privatise a major capital asset. The Opposition will not allow the Government to conceal debt by simply entering into exotic and risky financial arrangements with private financiers.

**MR PENDAL** (South Perth) [5.01 pm]: I support the Bill before the House, although I have some difficulty with some of the contents of the budget presented to the House last Thursday by the Treasurer. At the outset I express my admiration that the Government has achieved something often elusive to Governments of any political persuasion; that is, the containment of spending. However, it is a frequent puzzle to me that Governments seek to contain spending at the expense of a surplus, in this case a surplus in the order of \$180 million. I understand that Governments insure themselves against some of the vagaries of the market by building in the elasticity of a proposed surplus. Nonetheless, it appears to run contrary to social values and social programs to make many of those values and programs the victims of a government budget held up against the reality of a government surplus.

I want to raise two matters out of many dozens that I otherwise would like to raise. The first is the southern suburbs railway and the second is salinity. I have raised both of those issues many times in the House. I have raised the first matter of the railways in the past six years and salinity in the past 11 years and today I want to touch on those matters in some detail.

I begin by appealing to the Government to genuinely open up the debate on the southern suburbs rail. We have had that debate since 16 July last year, when the Cabinet endorsed a proposal brought to it for the extension of the railway through South Perth and Como. I remind the House that the proposal to do that was before the cabinet subcommittee and the Cabinet for no more than four days before a decision was made to endorse it. It is now a matter of public record that the cabinet subcommittee that dealt with the matter of the southern suburbs railway did so on the Thursday prior to Monday, 16 July 2001. Under no circumstances could anyone claim that that process allowed proper public scrutiny or any degree of public consultation. Indeed, I go further to say not only was there a low level of public consultation on the route as a whole but also categorically that no public consultation or warning was given to the people of South Perth, Como, Salter Point and Mt Henry that the route would be changed from the so-called Kenwick option and redirected through the suburbs I have just mentioned, all of which are in my electorate. I suggest to the House that it is incompetence at its best or dishonesty at its

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worst for a Government to announce a project with so much social and environmental dislocation inherent in it without any warning of the consequences for those suburbs.

That brings me back to the point I opened with: it is a good opportunity for the Government to begin the process of opening up the entire debate. Why do I say that? Why is there not a reasonable assumption that all of those matters were thoroughly examined and there were no further options to consider? The program of 16 July was barely broadcast and published throughout Western Australia when the Government indicated a willingness to begin a review of the railway's entry into Perth's central business district. We know that the Government established a review panel chaired, I think, by Mr Stuart Hicks, whose job it was - to paraphrase the Minister for Planning and Infrastructure - to see whether the Government had it entirely right and, if not, to come up with some suitable alternatives. That, as far as it went, was a courageous statement on the part of the minister. It at least opened the possibility that the Government might have got it wrong for Perth's central business district. Therein has been the scope of the public debate for the past six months or so as professional, public and local authority bodies have beavered away in an effort to suggest to the Government that entry into the city over the Narrows might not be the best prospect. I therefore make the point that if it is possible that the Government got it wrong about the best entry point into Perth's central business district, there is every possibility that the Government also got it wrong in having the railway come down the Narrows Bridge over the Swan River into Perth's central business district. That therefore further expands the argument in the direction that I have been attempting to take it; that is, to persuade the Government that if there are other options to consider on the northern part of the river, there are certainly other options on the southern part of the river.

One of the points that I have consistently made to both this Government and the Court Government since 1996 is that if a railway is to be built through South Perth and Como, it, and the freeway that was built in 1958-59, should be lowered. That would allow us, after almost 50 years, to retrieve some of the most precious foreshores in the Perth metropolitan area and restore them to a condition that would ensure that Perth developed as one of the most beautiful cities in Australia. The mistake we made in 1958-59 is being aggravated in 2002 by not just reluctance but a blank refusal to consider lowering the railway and the freeway through those suburbs that became home to the first freeway in Australia. The freeway that was built between Canning Bridge and the Narrows Bridge in 1958-59 was the first in Australia. It predated any freeway system in Melbourne and Sydney. It has been of enormous impact and value to the people of Western Australia, but it has also had a huge social and environmental impact. In building a rail line to the southern suburbs, we have the opportunity to correct that social and environmental impact. My suggestion is to lower a stretch of the railway from any point between Mt Henry Bridge and Canning Bridge, under the Narrows Bridge and into the Perth central business district. We are told that funds for that are not available. I do not accept that. I have previously said that if that argument had been used in the past, this State would never have got the Perth-Kalgoorlie railway line and this nation would never have got the Snowy Mountains scheme, which was activated post-World War II. If money is the only object, I plead with the Government to at least halt the planning development and begin to reinvigorate its thought processes so that it might avoid making the same mistakes with the railway in 2002 that were made with the freeway in 1958 or 1959.

What I will now tell the House helps prove my point. As late as a week ago, I was approached by a very well-known Perth engineer who I think made his name with the northern suburbs railway in the early 1990s and who, to a large extent, supports what the Government is doing with the southern suburbs railway. Nonetheless, he now has serious and creeping doubts that the Government is doing the right thing with South Perth and Como. The document to which I will refer is not a public document; however, the engineer has given it to me to do with as I will. It is a report that has been prepared by Peter Bruechle under his corporate name, Peter C. Bruechle Pty Ltd, and is dated 2 April 2002. I will read some parts of that report into the record so that members will see that Mr Bruechle's remarks do not necessarily give me all the comfort that I would like in seeking to have the railway and the freeway lowered between the points I have already outlined. However, although he does not give me all the comfort I would like, Mr Bruechle puts the view to the Government, and the minister, that other options are available - if the Government has the wisdom to recognise them as options. After reading from the report, I will tell the House about Mr Bruechle's proposed route under the river from South Perth, which, incidentally, would add an extra \$75 million to a program that is now being costed at \$1.4 billion. Mr Bruechle said in his opening remarks -

The decision-makers of today are now making a decision that will effect the travelling public and the City of Perth for a long time. It would be wrong to make a decision that will effect Perth adversely in the future to meet the demands of today.

He is talking about Perth in a generic, metropolitan sense. He continues -

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History is littered with such decisions and there are also examples of decisions that have been taken against the tide of opinion at the time that subsequently turned out to be correct. The shining example in Western Australia is probably the Kalgoorlie Pipeline.

Members will see from the next part of the report that I read that Mr Bruechle is not giving me any more comfort than he is giving the Government. Yet, I will read into the record his proposal to avoid the despoliation of South Perth. The report continues -

The government is now faced with pressure from the southern population centres for an efficient public transport system that is available as soon as possible and a limited budget. It, and its advisors, also have many other pressures and demands on the public purse. Even though there are these pressures the decision makers must resist arriving at a cheap answer -

I stress this part -

that overcomes the immediate problems but leaves Perth with a southern rail system that is not the best it can be.

Mr Bruechle says in his introduction -

It is widely accepted that there is a requirement for a passenger rail line that will serve the southern suburbs and will link into the successful line that serves the northern suburbs.

That is his opening gambit. The comment is supportive of the Government. I think I am right in saying that Mr Bruechle was involved in the construction of the railway to the northern suburbs in the 1990s. He later says in his introduction -

There are many possible routes from the southern population centres into the City. Although there is no unanimity regarding the best route it is generally accepted that a route up the Kwinana Freeway has many advantages.

Again, it is a comment that is supportive of the Government but not entirely unsupportive of the position that I have taken. I continue -

Given that there are pressures for the line from the south to be as direct a link as possible to the existing northern line . . .

He makes a few other points and then says -

. . . it appears that a route up William St. is optimum.

I do not necessarily agree with that; however, the House will see that I am leading to the point at which our ideas converge. Mr Bruechle then canvasses why he thinks the William Street option is the best route into the city. He then puts forward a proposal that I ask the Government to take into account. He has put to me, the local member, that the railway should go over the Mt Henry Bridge, under Canning Bridge and reach a point where Royal Perth Golf Club and Richardson Park sit adjacent to the foreshore - generally in the area known as Como. Mr Bruechle formulated his proposition quite independently of me. However, he brought it to me to ask what I thought would be the outcome. Under his proposition, the railway would veer to the right underneath Richardson Park so that the park would be retained for its present recreational purposes. It would then continue under Perth Zoo and turn in a northerly arc under the Swan River, coming out, as his initial plan shows, to link up with the William Street route.

Mr Bruechle showed me the proposition and the attendant maps to determine whether that would win greater public support in South Perth-Como than has the MacTiernan plan. I told him that it would solve half my problem. The Government's plan would be improved with an underground railway running beneath the Perth Zoo to cover a far greater catchment area on its route into Perth city. When I suggested that the route in his proposal would arc a little bit too wide, he was open to the suggestion that an underground railway, after leaving the Perth Zoo, might go under Windsor Park, which is not used to a great extent, and under the Swan River, to link with any one of the several options east of Perth that are now being considered in the light of the Hicks inquiry. I reiterate that I am neither an engineer nor a town planner. However, I know beauty when I see it. The inevitable result of the railway continuing down the freeway over the Narrows Bridge into the city will be the despoliation of that beauty.

The Bruechle plan, from someone with a track record in these things, suggests again that other options are available that need not cost an arm and a leg. It would be a tragedy in the extreme if the Government were to adhere blindly to a route and a mechanism that was drawn out of the hat 16 weeks after the Australian Labor Party took office. We would consign this city and the metropolitan area to an urban scrap heap within 25 years.

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As I leave that subject, I appeal to the Government to seriously take on board the other options that many people have suggested. If those other options are ultimately found to be more costly, we should find ways of cutting the coat according to the cloth. We should not begin with defeat in our voices by saying that it is all too much, the budget would not stand it or that we would squander our AAA credit rating. No Government in Australia has ever seen its rating downgraded by Moody's Investors Service or any other international agency because it built meaningful public infrastructure. Governments have lost credit ratings here and overseas when they have squandered public funds to cover up maladministration; for example, we lost the AAA credit rating because of the losses to the tune of approximately \$1.5 billion caused by previous Governments in the late 1980s and early 1990s. Our AAA credit rating would not have been affected had that debt been caused by expenditure on major public infrastructure. It is not the way credit agencies assess credit ratings.

Where there is a will, there is a way. If people are able to provide alternative proposals, Governments should give them the financial scrutiny expected of them. I plead with the Government that we now have another year. I congratulate the Government on not spending money unnecessarily on the southern suburbs railway. Last week an allocation was made of, I think, \$180 million, none of which is in any way allocated to the South Perth-Como leg of the railway. That money can be probably well spent on rolling stock. It is not too late. The Government has given itself effectively another window of opportunity by delaying for a year the completion of the rail link to Mandurah, and into the bargain, giving the people whom I represent in this place a chance to preserve one of the most beautiful parts of metropolitan Perth.

Mrs Edwardes: Hear, hear!

Mr PENDAL: I have spoken on salinity during approximately the past 11 years. I was very pleased to be part of a Liberal Party announcement in January 1992, which sought to focus on salinity in Western Australia in a way that had not been done until then. On that occasion, a year before the election, we were able to persuade the then Leader of the Opposition to make a massive commitment that would run to well over \$500 000 000 in 1992 terms. I am disappointed at the lack of activity that has occurred ever since. The crisis grows as we wait.

I regret to say that this Government's record is more of the same as that which has occurred in previous years. The Government has effectively said that we must balance spending on salinity with spending on other matters within the public sector. I say that we do not have to do that. The Government is saying that that spending must be subject to fiscal good management. I say it does not. I am saying those things because we have passed the time - I will read some figures into the record in a moment - for being cautious, for showing benign neglect and for the very timid approach we have taken in the past 15 or 20 years. Within the adult lifetime of everyone in this Chamber, the land that has fallen to salinity in Western Australia has increased from 200 000 hectares to approximately 2.4 million hectares. In that period it has risen by a factor of 12. When she was in opposition the Minister for the Environment and Heritage displayed an interest in salinity that was genuine and well briefed. However, that interest has not continued in government. In the 15 months since the Government took office and has dithered and fought with the Commonwealth, and had interludes with Wilson Tuckey - I would not wish that on anyone - the agricultural areas affected by salinity have grown by about 115 000 hectares. That area has fallen to cancer in the 15 months that Nero has been fiddling and Rome has been burning.

Mr Masters: This Government has not given salinity the attention it deserves because the conservation movement, which pulls many of the environmental strings in this Government, is not genuinely concerned about this issue.

Mr PENDAL: I have always taken a lot of notice of what the member for Vasse has to say, because his record, particularly before he came to the Parliament, is impeccable. I accept what he is saying. The seriousness with which we must now view this matter has gone beyond merely running around planting trees. For 20-odd years we have relied on the notion of integrated catchment management; it has become its own catchword. The term ICM was born out of good intentions and good science at the time. Narrowed down, integrated catchment management meant, to many people, that they should go out and plant more trees. Members might recall that the Prime Minister of the day, Mr Hawke, came up with the solution of planting one billion trees. At one level the argument was good and helpful, and it was certainly very illustrative. I will come to the necessity for that argument in a moment. However, it lulled us into a false sense of security that if we just planted more and more trees, the problem would eventually be solved. Many farmers in Western Australia are now discovering that if they plant the required numbers of trees to begin to rectify the problem, 60 per cent of their farms will be covered in trees.

Mr Masters: Or more; up to 80 or 100 per cent in some cases.

Mr PENDAL: Okay, even more. That graphically illustrates the point I am making. It does not mean we should stop planting trees. It means we must take the foot off the accelerator and de-emphasise the over-reliance on

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trees. The planting of trees alone will never solve salinity in Western Australia. For anyone who is in doubt about the projections for the next 50 years, I will read a couple of facts into the record.

We must decelerate the engine and de-emphasise the commitment to trees, because that solution simply will not work. We have reached the point where an engineering solution is the only answer. It does not matter whether we call it an engineering or a drainage solution. Herein lies the great potential for us to do something in this Parliament, within this Government and within Western Australia to begin turning the problem around.

The ACTING SPEAKER (Mr Edwards): Order! I draw members' attention to the fact that three debates seem to be happening in this Chamber at the one time. I am finding it hard to hear the member, and I am sure Hansard is as well. Would members please keep their debates to themselves.

Mr PENDAL: The name Peter Coyne is not everyone's favourite; however, I have known Peter Coyne for a long time. He is enthusiastic, to say the least, and has been responsible for a recent publication. *The West Australian* reported the release of his report three or four weeks ago. If we accept that engineering solutions are now the answer, or a large part of the answer, to the problem of salinity in agricultural Western Australia, it would be catastrophic for Western Australia for the report to stay where it is at present.

I have known Peter Coyne for many years and I became even more convinced about the efficacy of his proposal after I flew with him and a group of people to Wagin on 2 May following the release of his report on the next stage of this problem - and we are at the next stage. The report contained the suggestion that the Government bite the bullet and contribute at least \$4 million and Peter Coyne's private company would provide \$2 million. That \$6 million could then be used to run pilot tests on the engineering solution in three major catchment areas; namely, the Blackwood, Avon and Murray Rivers. One of the things I learnt from that trip to Wagin - perhaps agricultural members have known this all their lives - was that the Avon runs upwards and the catchment area goes north before it goes east. Looking at the map, it appears that it should have some direct relationship to Lake Dumbleyung. That is an aside, but it indicates what nature does when it is in charge.

The position is that \$6 million of public and private funds is needed for trials. The Government has the capacity to run the trials on the engineering solution, which involves building a series of canals to empty and drain salt water from inland Western Australia to points that are most convenient and environmentally acceptable. In the case of the Blackwood, Mr Coyne's proposal envisages a series of canals running from about the centre of the catchment area, that is west of Dumbleyung, through to Collie and over the Darling Range, with such a fall that it would create considerable hydro-electric capacity for the area east of Bunbury, and then it would go into the sea off Bunbury. I am told that if we were to use the engineering solution for those three catchment areas, it would cost approximately \$600 million, which is a lot of money. It is also a fair bet that if this Government came to the party with \$200 million - that is one-third - there would be every likelihood that the Commonwealth would commit to the balance. All of my inquiries reveal that. An amount of \$600 million would then be committed to an engineering solution - a solution that so far, whichever way one looks at it, has eluded us in Western Australia.

How serious is this issue? I will quote from the national water resources audit, 2000. This table sets out the estimated area of salinised land in Australia over the next 50 years. The horrifying part is that currently, under this projection, Western Australia has 33 per cent of Australia's salinised land. In broad terms, about 1.8 million hectares are listed as saline. The projection is for approximately 2.5 million hectares, which is a 33 per cent increase! The national water resources audit projected that if we do nothing, bounce along, simply operate at the level of integrated catchment management, and continue to endorse the policy of benign neglect, and unless we get out of the rut, by the year 2050 the potential area in Western Australia lost to salt will be 8.8 million hectares and the national area lost will be 17 million hectares. A full one-half of Australia's salinised land will be in Western Australia. In summary, the audit states that at the moment, Western Australia has one-third of Australia's salinised land. If we keep doing what we have done in the past, we shall end up with half of it. Western Australia should not be happy about making that brag at any time, and certainly not about land that we will leave to our children.

This is a criticism, but not a condemnation. Every piece of available evidence has shown that whatever we have done in the past 20-odd years has not worked. I hasten to add that it certainly does not imply that those who are involved in land care, such as farmers, scientists, local authorities, government departments and the Commonwealth Scientific and Industrial Research Organisation, have worked in vain. We do not need any more studies or any more advice. I stood in a valley at Wagin. As far as the eye could see the land had been destroyed by salt, yet 30 years ago that was not the case. The most impressive thing about standing in that valley of salt were the people that Mr Coyne had assembled around him. People who had written him off as a crank are now starting to re-assess that rather uncharitable and inaccurate tag. The people he has gathered around him are



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eminent in their field. He has gathered people from the CSIRO such as David Williamson, people from the private sector, engineers, hydrologists, and people from the Centre for Water Research of the University of Western Australia. Those people were always reluctant to be part of a group for fear that they might get it wrong, yet they were gathered there on that day giving moral support, and some of them direct financial support, to the program of draining Lake Dumbleyung by the method I spoke of earlier; that is, through a system of canals past Collie, over the scarp and into the ocean near Bunbury.

I have known Peter Coyne for a long time. I do not know whether he is infallible, but I guess that no-one is. However, I do know that so far no-one has come up with as breathtaking an assessment of how to shift the water. Members may not be aware of the scope of the problem; the proposal to drain Lake Dumbleyung involves shifting in the order of 400 million tonnes of salt water a year. It comes back to the earlier references to Moody International and the AAA rating that agencies give Governments. No rating agency in the world would downgrade a Government that was prepared to make that sort of commitment to achieve that sort of outcome. Those agencies do take exception to that sort of money being set aside to pay debts, for example, as happened with the Labor Governments of the 1980s and early 1990s. At this moment something like \$300 million is still parked in state Treasury from the sale of AlintaGas. I know that it has been spent 57 times over. We all have ideas on how it might be spent. However, I put it to you, Mr Deputy Speaker (Mr Edwards), that no single long-term objective will return more to this State than using that \$300 million from the sale of AlintaGas to do something serious about salinity. All the railways, all the education, all the new hospitals and all the social welfare programs in the world will not return to us a dividend such as this is capable of returning, if at least part of that \$300 million were immediately set aside for the purposes I have outlined. It is an urgent matter that has gone beyond the point of being a crisis. It is not merely affecting agricultural land. Members should see what it is doing to bridges, buildings in towns and airports. A year or two ago aircraft could not have landed at the airport in Wagin at which we landed. Why is that? I think it was salt-affected as well. We are talking not merely about agricultural land, but about the whole of the infrastructure across a vast range of Western Australia, including buildings that have been built with public funds and are adversely affected by salt.

Two years ago, the former member for Southern River told me that it is a farmer's problem. I say that it is a problem for everyone, and I urge the Government to take the suggestion on board.

**MR HOUSE** (Stirling) [5.47 pm]: This is the second budget of the Gallop Government. I want to concentrate on particular aspects of the budget, but first I make the general comment that I am disappointed about a couple of aspects of it. The first is the recognisable fact that this budget takes the State further into debt. We worked hard over the eight years of the previous Government to try to reduce debt. We got to a stage at which the money that would have been set aside to service debt was able to be spent on more productive things, such as health, education and policing. It is disappointing to see that the Government is reversing that trend and that debt is rising again. It cannot keep doing that, because in successive budgets more and more interest money to service the debt will be needed to make the budget balance. That means that we must either raise taxes, as the Leader of the Opposition said, or we must cut services.

I want to focus on the cutting of services, because I represent an electorate that is rural and rural/urban in many ways. It has a fair amount of agricultural pursuits, but it also contains part of the City of Albany and towns, such as Denmark, which are growing very quickly and which are urban areas developing in rural Western Australia. I do not see much in this budget that will give heart to people in those regions. What fascinates me about that is that the major cities of Geraldton, Mandurah, Bunbury and Albany all fell from the conservatives to the Labor Party in the last election. Indeed, one could argue that that is what caused their electoral success. One wonders where those members were and what influence they had when this budget was being drafted. I do not see any increase in the budgets for regional development commissions that would give me heart if I represented one of those areas. Nor do I see any new initiatives, ideas or developments. This budget does not suggest that the Government has much imagination. It is a bit more of the same, except for the huge debt being incurred, but everyone seems to have accepted that. Interestingly, the political commentators and the Press did not make much of the huge debt being incurred to balance this budget. If the Government were doing something innovative or new -

Mr Watson interjected.

Mr HOUSE: I am glad the member mentioned the boat harbour.

Mr Watson interjected.

Mr HOUSE: I will deal with the boat harbour first. I was running out of things to say, so I am pleased the member for Albany made that interjection.

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Mr Watson interjected.

Mr HOUSE: I will deal with those issues if the member will cease his interjections. History indicates that only one member for the seat of Albany, which has existed since this Parliament was established, has served fewer than two terms. That was a Labor member. I suspect that the present member for Albany will repeat that performance; he will be another one-termer. I will take my hat off to him if he is re-elected. However, I advise members not to bet any of their hard-earned money on his return. He will be back licking stamps after the next election.

Mr Watson interjected.

Mr HOUSE: Time will tell. He will be judged on his performance. His Government has downsized Pardelup Prison Farm and the Albany Regional Prison, shut the Albany woollen mills, reduced road funding and the face-to-face service provided by the Water Corporation and so on. The experience of the previous Government proves that Governments cannot continue to do that and hope to be re-elected. That is why the member for Albany will not be re-elected.

I congratulate the Government for allocating \$12 million for the Albany boat harbour. However, that is about \$4 million less than what is required and the original projected cost. That happened because the member for Albany could not hold his own with the member for Eyre. The member for Eyre pinched \$3.5 million of that funding for a grass golf course in Kalgoorlie. The harbour project will be a bit short of money as a result. Obviously, the member for Albany is not a very effective member. I take my hat off to the member for Eyre, because he got that money, albeit in the year during which this State has experienced its worst water shortage. That situation will continue next summer, but we will be piping water from Perth to Kalgoorlie to pour it on a golf course. That is extraordinary. No-one has worked out the cost of that water. Obviously it will cost a great deal to establish the golf course, and the water supply will be an ongoing issue.

Mr Watson interjected.

Mr HOUSE: All in good time. Interestingly, 550 people belong to golf clubs in Kalgoorlie-Boulder out of a population of 30 000.

Mr Watson interjected.

Mr HOUSE: I am talking about the member's electorate because he raised it. I will remind him time and again that he was not effective enough to get a proper allocation for Albany.

Mr Watson interjected.

Mr HOUSE: I have some electors.

Mr Watson interjected.

Mr HOUSE: The member should cease chattering and listen. I am happy to send him a few of my electors. He deserves some of them; I do not.

Mr Watson interjected.

Mr HOUSE: He has not been able to do anything for them.

Mr Watson interjected.

Mr HOUSE: The only thing I am worried about is that if the member for Albany is back in the post office after the next election my pamphlets might not be sent to the right place.

Mr Watson interjected.

Mr HOUSE: That is what I am worried about. I suspect that that is why my majority was slightly reduced.

I congratulate the Labor Government for allocating funds to the Denmark District Hospital, because it is in desperate need. That allocation will go some way to alleviating its problems. I congratulate and thank the member for Albany if he was able to influence that decision. It is a vital resource in our region. I know that he has some feeling for Denmark because he lived and worked there and is well respected in the town.

I genuinely believe that we need a new hospital in Denmark. It is a growing community that services a large area stretching west as far as Walpole. As a consequence of that and the influx of people during holiday periods, the demand placed on the hospital has increased dramatically, particularly for emergency services. Anyone who has seen that hospital will acknowledge the need to provide a good service. If we do not, many people's lives will be put at risk. Many patients do not live in that rapidly growing area - they are visitors. I hope that the

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Government sees the merit in increasing the allocation to that hospital in future budgets. Compared to the Plantagenet health facility and the Albany Regional Hospital it is not bad, and, in the context of budget allocations, the resources provided are reasonable. We can always make a case for more funding for our local services, but Denmark Regional Hospital is an exception - it desperately and genuinely needs more funding to provide a better service.

Obviously, I have a keen interest in the agriculture budget as a former Minister for Primary Industry and as a farmer. Page 225 of the budget indicates that in the 2000-01 budget - the final coalition budget - the allocation for Agriculture WA was \$168 million and the budget estimate for this year is \$128 million. That is a \$40 million reduction over two budgets. Of even greater concern is the fact that the forward estimates indicate a \$122 million allocation. That means the Department of Agriculture will suffer another \$6 million budget cut next year. As if a reduction of \$40 million over two years were not bad enough, the agricultural sector is expected to suffer even more in coming years. That means 151 departmental jobs will be shed. I suspect that those losses will occur in the regions, and that concerns me greatly.

Why should we be concerned about the agriculture budget? The budget contains matching funding for groups such as the Grains Research and Development Corporation, for wool research and so on. The Government is required to match industry funding in those areas. That funding might be used to undertake research into better types of high-yield grain. People talk about what can be done for rural Western Australia, the problems being experienced, the death of small towns, lack of employment and so on. To its credit, this Government has set up the regional development fund to address those problems. Nothing will solve them more effectively than helping farmers to be more productive and profitable. If they are, they will spend more money in their local towns. Much of that increased productivity is a result of the work done by agricultural research scientists and the Department of Agriculture in developing better varieties of high-yield grain and dealing with parasites.

*Sitting suspended from 6.01 to 7.00 pm*

Mr HOUSE: I really expected that the Chamber might be full to listen to the continuation of my remarks, but I can assure you, Madam Acting Speaker, that I am more than happy to continue.

Mr Kobelke: It is only because members did not know you were speaking.

Mr HOUSE: That is probably right. My friend the member for Albany needs to come back into the Chamber, because I do not think I will use my time unless he interjects on me and I can have a bit more of a toe to toe with him.

Prior to the dinner suspension I was expressing concern about the allocation for the Department of Agriculture and outlining to the House that it is very important that we maintain an adequate budget for that department, because that money is matched by funds from farmers and other people associated with agriculture. Those funds are then used for further research and development. I cannot believe that, on the one hand, this Government can talk about looking after the regions and supposedly show concern for people who live in regional areas and then, on the other hand, not make an adequate allocation to the regional development commissions, the Department of Agriculture, the Department of Fisheries and other departments on which country people rely heavily for research and development work and for the benefit that comes from it by increased yields and better productivity, which create wealth in regional areas. I am very disappointed that of all the cuts the Government will make, it will make them in those areas. I will listen with interest to the speeches following mine, but I am sure that every country member will share that concern. I hope that members who represent regional and rural Western Australia will not only share that concern, but also take up that matter with the appropriate ministers to try to get a better allocation, because the forward estimates indicate that the allocation will be cut even further by another \$6 million next year. One hundred and fifty-one staff will be shed. A lot of those people with particular skills in scientific research, animal husbandry and animal protection will not be easy to replace; and there are no other jobs in the community they can easily take up.

I want to say a little about animal protection. The budget for quarantine services and plant and animal protection is administered under a joint arrangement with the Commonwealth. We must play our part in that. It is vitally important that we maintain those services at airports and at checkpoints on the highway across the Nullarbor Plain, for example. If we do not, we run the risk of increasing disease and pest problems in this State, which will destroy our good image in overseas markets. Indeed, I refer to the beef market into Japan. Consumption of beef in Japan has dropped by 50 per cent in the past six months because of the outbreak of mad cow disease. Australia has been able to maintain a fair degree of its market because it has been able to guarantee a clean product that has no chance of being affected. If we are able to maintain those standards, it creates an opportunity for us in the marketplace. We must continue to maintain those standards. I implore the respective ministers to

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look at that allocation carefully and to make sure that this budget is not cut again. Indeed, the organisation needs an injection of finance this year to maintain its position as a pre-eminent research body.

In that context I will deal with multi-peril crop insurance. This issue was part of the campaign of the current Labor Government. The then spokesman for agriculture, the now minister, made a big deal about supporting multi-peril crop insurance, which the National Party supported too. I am not knocking that. It had bipartisan support, and we all thought it would solve some of the problems that were being experienced by grain producers. Despite having bipartisan support across politics and from both the key farmer organisations, multi-peril crop insurance has not come to pass. Frankly, this Government has been very tardy about advancing it. It must bring together the appropriate people in the insurance companies, key farmers and other people with experience in that sort of business around the world. For example, Canada has a multi-peril crop insurance that works quite successfully. That model could be used in WA. Farmers are now in the process of planting another crop - that is the second crop since this Government came into office - yet we have heard nothing more about multi-peril crop insurance. The Government must deliver on the undertaking that it gave during the election campaign. It is another area in which it has failed to deliver. That is rather disappointing because, as I said, it has bipartisan support. One hopes that the Government will keep to the undertaking it gave and deliver on that promise.

Another issue about which the Labor Party said it would do something was the supposed chemical inquiry, or what has now become an inquiry into chemicals used by the Agriculture Protection Board, particularly in the north of Western Australia. However, there is evidence that chemicals such as 2, 4, 5-T were used in some of the southern parts of the State, on blackberry in particular. I believe the original incident arose around Derby, and other accusations were made in Broome that the use of chemicals had not been properly checked and that the people who were using them did not know or understand the ramifications of that. That inquiry has been going on for some time. I understand that there has been no conclusive evidence to suggest that there were problems or that anything untoward occurred. However, I am not passing judgment on that. I am just anxious to know what the end result will be, because it was a key issue a couple of years ago. I dealt with it, and my judgment at the time was that there was not enough evidence to substantiate a full-scale inquiry. Nonetheless, the current minister set up that inquiry. I am not criticising him for that; I accept his decision. However, I would like to know what it will cost because it is one of those political things that he thought might win a bit of political kudos in a couple of key seats. Indeed, maybe it did.

Mrs Martin: It could also be that young men are dying and we don't know why. If you lived in a community where men in their prime dropped dead, you would have some real concerns. It could be that. It is not just about the money; it is about 15 to 18 years of battling for those people. It is more than just the money; it is about a simple point of justice and finding out the history of what has happened.

Mr HOUSE: If the member for Kimberley had been listening, she would know that I said that it is not just about the money. I was not critical of the decision; I accept it. However, to the best of my knowledge, no evidence has been unearthed that substantiates the accusations made against the Agriculture Protection Board or the people in charge of it. That may in time prove to be wrong if some evidence is unearthed. A lot of publicity has been given to the inquiry, which has been very thorough in its delving into matters. However, to the best of my knowledge no evidence has been produced to substantiate any of the accusations that have been made. All I want to see is the report in its finality so that we can make the next decision. The member for Kimberley might be right and there might be a reason to take action or to make another decision when that time comes. I am just saying that time is dragging on. We must see that report. At this stage nothing has been produced to indicate that any of the accusations made are supported by any substantiated facts.

I want to continue on the theme about plant protection. This Government made a decision to amalgamate the Agriculture Protection Board with Agriculture Western Australia. That was a decision about which I had some serious concerns. The APB used to have a separate budget allocation. It had a legislative board made up of farmers' representatives from a spread of areas across the State elected by cell groups in their areas. Other members with expertise relating to chemical use and animal welfare were added to those groups. The APB administered the agricultural budget. There has now been a melding of the two budgets of the APB and Agriculture WA and a melding of the people in those two entities. There is now no distinct difference between those delivering a productivity service and those delivering a regulatory service. I believe we will pay a hefty price for that in the long term. Indeed, the central and eastern wheatbelt areas have probably already paid that price with regard to the skeleton weed problems they are experiencing. There is nobody specifically in charge of that program that people can consult. Previously there was a chairperson of a board that comprised representatives from designated areas. There were people also in the department who were directly responsible for the administration of the budget and the allocation of its resources. That is not the case now. I fear greatly when I see, for example, that the footrot program has been cut out of the budget. Apparently, according to what

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I read, the Minister for Agriculture has decided that we will no longer have that eradication campaign. We will apparently live with footrot and let it spread all over the State to the detriment of the sheep industry.

I will now talk about the sheep industry. Last year Western Australia exported some 4.5 million live sheep, slaughtered a couple of million more internally and produced 100 million kilograms of wool. Those figures are not insignificant. The sheep industry creates substantial new wealth every year. It maintains a contribution to the State from the regions, small agricultural towns, farmers and others. However, the industry needs some support. It must have an overlying framework so that if a disease problem occurs or an issue must be dealt with -

*Point of Order*

Mr OMODEI: Madam Acting Speaker (Ms Hodson-Thomas), this is a very compelling speech. Far more Labor members of Parliament should be in the House tonight listening to this debate. I therefore draw your attention to the state of the House.

The ACTING SPEAKER: A quorum is present. The member for Stirling has the call.

*Debate Resumed*

Mr HOUSE: I have heard about members of Parliament who have such great eloquence and oratorical powers that the Chamber mysteriously fills when they get to their feet to speak. I did not recognise the fact that, after all my years in this place, I am one of them! I might say that I was ably assisted by the member for Warren-Blackwood and the bells. Any member who would like to leave should please feel free!

Mr Omodei: I will bring you back!

Mr HOUSE: I want to speak a little about the live cattle and sheep trade. As I said, some 4.5 million live sheep a year are shipped out of this State and, depending on the season, about three-quarters of a million cattle. That trade has met criticism in the community from animal welfare groups and others. However, I assure the House of a few matters: very strict animal welfare controls are in place, veterinarians accompany the boats and inspect the stock, qualified stock people are on those boats, the animals are looked after in a humane and satisfactory way, and they are vaccinated before they go. All of those things are done to make sure that the health and welfare of the animals are looked after. I will give the House one example of that. Farmers and members representing rural regions would know that some years ago the Saudi Arabian Government suspended the live sheep trade because it was not satisfied with the quality of the stock. That gave us all a bit of a jolt and, quite frankly, it was a jolt -

Mr Omodei: Because of scabby mouth.

Mr HOUSE: As the member for Warren-Blackwood said, it was for scabby mouth. However, that suspension raised a lot of other issues about the live sheep trade, particularly how it should be handled. Consequently, many new protocols were established and the benefit to the industry has been enormous. Anybody who objects to the live sheep trade should have a close look at it. It underpins the value of the product that is produced annually in this State. We must ensure the trade is maintained. There will always be issues about animal welfare that need to be addressed. I assure the House that we, as agricultural producers and those who transport agricultural products, want to continue the trade in the best possible and most humane way, and we do. It is not in our interest for stock to be mistreated. It is not in our interest to produce a product in the marketplace that does not meet customers' specifications; indeed, quite the contrary. We must produce a very good and specific product to get the best possible price. I assure members that anyone still in the business of farming will say that these days farmers will make it only if they are good at the game, are on top of modern business practice and modern animal practice and have the best financial and accounting advice. Farming is not a lifestyle operation that we do because we like doing it; it is a business and that is how it is run. We look after our stock and our products in a very businesslike way.

I hope members take advantage of the offer to view the live sheep and cattle trade. I and people in that trade are more than happy to brief other members of Parliament, show people over the ships and talk to people about issues with which they are concerned and which can be addressed. I urge members to take advantage of that offer so that if they have some concerns and we have missed some aspects of the trade, we can address them in a positive way.

I turn now to the Department of Fisheries. When this Government came to office, it indicated that it would amalgamate the Department of Fisheries with either the Department of Agriculture or the Department of Conservation and Land Management. Due to the Government's review, which amalgamated a number of government departments, it eventually decided not to do that. I strongly support that decision. Although the Department of Fisheries is a small department, it is a very good and efficient department; it operates extremely

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well. The previous Government introduced cost recovery to the professional fishing industry, so it pays a great deal of its own way. It does not draw on the consolidated fund, and I do not think it ever will. However, it needs a reasonable and fair allocation, because it manages, for example, the recreational fishing industry - it is an industry - for the betterment of the State. I support the Government's decision not to amalgamate the Department of Fisheries with any other department, and I hope that it continues to allow it to remain a separate department.

I will touch on interest rates, which is an issue that has more to do with the federal budget than with our budget, but it has an impact on us. As a small business person - as a farmer, I consider myself a small business person - I borrow money on both an annual and a long-term basis to buy more land to expand my business or to run my operation in a particular way. I pay a premium interest rate. That is agreed to when the Reserve Bank of Australia and the banks put their heads together and come up with whatever they think should be the interest rate of the day. Yet, if I wanted to borrow the same amount of money to buy a house in the city, I would pay an interest rate that would be two or three per cent lower than the interest rate I pay as a small business person. I have never been able to fathom why my business should be restricted by the imposition of a higher interest rate than the rate paid by somebody who buys a house. I have never been too sure whether that lower interest rate is a benefit to the person receiving it. It could be argued that it forces up the price of the house. If people who are on wages want to buy a house worth \$500 000, the first thing they ask - this is what real estate agents have told me - is how much they will have to repay a month. That is the bottom line. They are not as worried about the price as they are about how much they will have to repay each month because they have to live on what is left over. As a consequence, if they can afford more, they will go up market a bit. I argue that that would increase the price of the product - it would in every other marketplace I am aware of. I am suggesting that a subsidised interest rate for people buying houses in Western Australia, or in Australia generally, is detrimental in two ways: first, it forces up the price of those houses, and, secondly, small business people - there are thousands of us out there - borrow money at a higher interest rate as a consequence of that policy. I employ a number of people in my small business. The flow-on wealth created from that can be seen in small businesses throughout my little town. It goes around a number of times and the multiplication factor is quite large. If I pay a higher interest rate to the bank, I will not then be able to buy other products or employ more people. I do not have the specific expertise to do the exercise, but it seems to me that it is a political decision that has been made to subsidise people who want to buy a house to the detriment of small business people in this country. I argue strongly that I have never seen any evidence that those people are better off buying their house because the interest rate is lower. The final price they pay will be just as great because the price of the product will be forced up. I acknowledge that that is not an issue for this Parliament; it is an issue for the federal Parliament. However, day after day I hear the Treasurer and the Premier tell everybody in this place that it is the federal Government's fault - in this case, it just might be.

I genuinely do not believe that we as a Parliament should leave those issues aside. We should tackle them and there should be a way through Treasury that we can look at those issues and assist small business. Small business is the lifeblood of what happens in the regions. If those small businesses can thrive and prosper, the rest of the State will thrive and prosper; there is no question about that. Members on this side of the House have always been very proud of that. As conservatives, we have encouraged people in small businesses and we have encouraged small businesses to prosper. I am sure the aim of everybody in this Parliament would be to ensure that that happens. Other problems, such as welfare issues and services with which the Minister for Community Services has to deal, would dissipate if people had their own dollars that are earned by wealth creation to spend.

I am pleased to make a contribution to this debate. I am disappointed that the Government has allowed the debt position of this State to run out. It will pay a hefty price for that in the long term. The Government has taken a very short-term attitude to the budget in that it has allowed debt to increase. That is not acceptable and the issue needs to be tackled. I do not want to go over next year's budget in detail because the Leader of the Opposition covered it quite adequately. However, if the Government has to factor in the railway and borrow another billion dollars - I know that you, Madam Acting Speaker (Ms Hodson-Thomas), have a particular interest in this - we will be in serious trouble. I have not yet figured out what will be the return for this railway. If it is to come up the freeway and bring a few people from Mandurah and areas a little north of Mandurah, at the end of the day it will probably return peanuts for the outlay. If the Government bought 50 buses and paid \$1 million each for them, that would cost it only \$50 million. I reckon the people would get to the city just as quickly and it would not cost anything like the amount of money that is being spent on the railway. I suspect that the Government might know that. It might even do that in the end. It did not include it in this year's budget, so it has delayed it until next year. What will it do this time next year? It might do exactly the same thing. I do not think this railway will be built. If it is not, I will be quite supportive of that. I had occasion to travel north of the city early this morning and I came back along the freeway that you, Madam Acting Speaker, traverse each morning. I was

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amazed that the traffic was at a standstill. It took me the best part of half an hour to get from Karrinyup to the edge of the city at just after nine o'clock this morning, which was quite surprising. Transport issues need to be addressed, and I think they will need to be addressed by public transport. However, spending \$1.4 billion on a railway to bring people from Mandurah to the city does not seem to me to be the way to do it.

Mr Barnett: It will be eight minutes quicker though!

Mr HOUSE: That is right. As I said, I do not have the expertise, but the Leader of the Opposition outlined it adequately. He has the knowledge. This Government should take note of that. It would be better off if it bit the bullet now and said that it will not build the railway.

Mr Whitely interjected.

Mr HOUSE: I do not know. Will it help Roleystone?

Mr Whitely: It will.

Mr HOUSE: That is good.

Mr Whitely interjected.

Mr HOUSE: I am glad it will help someone.

I repeat: the decimation of the Department of Agriculture is something that all Western Australians will pay a high price for. If proper research work is not done and our products are not properly protected from plant and animal diseases, it will be a short-term strategy to save a few million dollars, which is peanuts in the context of a \$10 billion budget. It is so short-sighted it is unbelievable. I hope this Government sees some sense, reverses that decision and allocates more money to that agency.

**MR MARSHALL** (Dawesville) [7.28 pm]: I am shocked that the Gallop Government continues to show a disinterest in the Peel region in general, and the Mandurah area in particular, particularly on funding. The Peel region is recognised as the fastest-growing region in Western Australia. The growth of Mandurah city continues to astound planners, while the new subdivisions in my electorate of Dawesville have experienced a population boom. This boom has seen a demand for improved infrastructure, particularly by the local people. They no longer see themselves as part of a countrified retirement village that is happy to go unnoticed. They want modern infrastructure services such as health, law and order, education, sport and recreation, the arts facilities and, of course, transport. They are tax-paying people who have earned the right to have their needs acknowledged by this Government. The Court Government recognised the potential of Mandurah city. More money was spent in Mandurah in just eight years, between 1993 and 2001, than in the history of the region. A \$17 million performing arts centre was built with an adjoining tourism precinct, which supplied much needed hospitality employment and added to the many tourism attractions. The Peel Health Campus was revamped and the number of beds was increased from 35 to 140; five new schools and the TAFE college were built; the police presence in the area was trebled; the Perth-Mandurah bus service was increased and streamlined; the Peel Development Commission was relocated and given more staff and extra funding; a 500-pen ocean marina was commenced; and plans to have a Perth-Mandurah rail link to be completed in 2005 were confirmed. Members should note the word confirmed. I will come back to that later.

Last year the first budget of this Labor Government was disastrous for Mandurah. The ongoing sewerage infill plan was delayed by six years to save \$170 million and none of that money came back to the region; the promised dialysis machines did not eventuate; the new bus terminal was put on hold; the regional investment fund was reduced by \$3 million; the Well Women's clinic was transferred to Rockingham; the Aboriginal Affairs office was closed; the Peel Inlet Management Authority was disbanded; no funding was provided to assist the Peel Thunder Football Club; the southern rail link was postponed for two years; and plans for a police station in Falcon were shelved. This Government is going well in my region! In addition, nothing happened with the priority Peel deviation project; children south of the Dawesville Channel were charged school bus fees; community policing was scrapped; and it was confirmed today that Mandurah's parenting information centre is to be closed. What a pathetic performance in not only the budget allocations but also the lack of recognition of a truly remarkable growth area in Western Australia.

The Gallop Labor Government's negative attitude has aroused suspicion that the highly successful Peel Development Commission will be the next government agency to close. Local staff are not optimistic about contracts being renegotiated, and the lease has not been renewed. A government task force is supposedly reviewing all the statutory authorities in the belief that Peel's needs could be addressed through metropolitan departments. Mandurah people would shudder if they knew of some of the scenarios being tossed around. It has been suggested that the Jarrahdale-Serpentine areas of the Peel region and the Mandurah-Murray area could be

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managed by agencies in the metropolitan area. It has also been suggested that Waroona could come under the South West Development Commission, and Boddington could come under the Wheatbelt Development Commission. Another idea is to have Peel managed by the South West Development Authority based in Bunbury. What a backward step that would be. Another idea is to expand the whole Peel region into the Rockingham-Kwinana area, which is the metropolitan area. That would ruin the country identity. Another proposal is to abolish the Peel Development Authority. That would be a foolish decision.

The Peel Inlet Management Authority was scrapped only a few weeks ago after 26 years of constructive work. We can see why the locals are concerned. PIMA did a magnificent job of looking after the waterways. The Labor Government does not have the same feel for the Peel region as did the previous Government. The Gallop Government has not listened to the people of my electorate. It pushed through the gay and lesbian reform Bill, despite the public request for a referendum. In all the many surveys I conducted it was clear that only two per cent of people in the Peel area favoured that reform. A mathematician or a schoolteacher will know that 100 per cent minus two per cent is 98 per cent! That percentage of people did not want gay and lesbian reform.

Several members interjected.

Mr MARSHALL: I had to demonstrate the calculation because some members opposite do not have any mathematical ability. The Labour Relations Reform Bill is not wanted by employers in my electorate. The Mandurah tourism industry will be hit hard as a result of this reform Bill. Tourism is already reeling from the massive increases in insurance premiums, and the collapse of Ansett and the 11 September disaster did not help. Consumer confidence is low. Tourism operators have a rocky road ahead of them. The Labour Relations Reform Bill will create new administration costs and an increase in wages, while unfair dismissal laws will deter small businesses from employing more staff. Employers will be asked to either absorb or pass on to consumers the new costs incurred as a result of this Bill. Tourism in Mandurah supplies much needed employment in hotels, resorts, caravan parks, restaurants, retail shops and adventure groups. None of those groups works normal hours. The proposed casual loading increase, therefore, will deter employment opportunities. The removal of the workplace agreements and the flexibility they provide will have a detrimental effect on our tourism industry.

I appreciate that this speech is tarnished with negativity and, of course, members know me as an optimist. However, as a member who provides maximum representation for his constituents, I am obligated to tell the House about the concerns this Government is causing my Dawesville residents. They are not happy with the charges, tariffs and fees that have risen under this Government, which I remind the House went to the polls promising there would be no increases. No increases? Oh yeah? Members should listen to this: water, sewerage and drainage charges increased by 3.5 per cent; compulsory third party premiums, two per cent; motor vehicle registration, five per cent; parking levies in the central business district, 70 per cent; probate fees, from \$145 to \$500 for estates around \$100 000 - hitting the estates of people who have died; and payroll tax, 0.4 per cent. That does not sound like much but six per cent is an extraordinarily high rate. People caught speeding will lose double demerit points, which will provide extra revenue. Water rates have increased by 2.9 per cent. It was announced only last week that in the new budget transports costs will rise by 2.6 per cent. Stamp duty on motor vehicle compulsory third party insurance will increase by eight per cent; stamp duty on vehicles valued at \$15 000 will increase by \$37.50; and stamp duty on public conveyances will increase. My constituents do not appreciate being misled. They do not respect this Government. Who will vote for it again in the light of all those increases?

The people of Mandurah are not happy that transport costs have increased by 20c a zone. People in that area fought for 10 years for extra buses; now they must pay higher fares. The previous speaker referred to the exorbitant cost of the rail link between Mandurah and Perth. He even suggested that 50 more buses would cost less and provide a better service. He may have had a point because the rail link is not ready for that service yet. The number of passengers projected for the northern line - it still runs at a huge deficit - was greater than the southern recorded number. The number of buses should be increased in the interim period when this Government cannot deliver rail. The increase of 20c a zone just to ride those buses is another example of this Government's lack of understanding of the budget process. It does not realise the importance of the Peel region to Western Australia.

My constituents are not happy with the transport portfolio. I will quote a letter I received in the mail last week from Leissa Hobba of Biara Court, Dawesville. She spoke about charges south of the Dawesville Channel where areas are classed as metropolitan. She has telephoned the chief executive officer of transport a number of times. Her letter reads in part -



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As Gary Merrit explained to me in his unsympathetic manner at the commencement of the school year  
...

She refers to his unsympathetic manner. People in the bureaucracy do not care about the little people in my electorate. To continue -

Well the person I spoke to at Transperth regarding bus timetables explained there were no buses departing from Dawesville after 2:03 pm during the week . . .

She also pointed out in dismay that not only could people not catch a bus after 2:03 pm.

Also that there is NO bus services on the weekends at all.

The bus fares in this area are charged at the same rate as those in the metropolitan area, but no bus services are provided on weekends. The policy is double-dutch, it is an example of penny-pinching and it is wrong. I agree with Leissa Hobba. She continues -

I explained that Dawesville, Melros and Florida are a part of the metro system. She thought it was a shocking service and to write to whoever necessary and complain. I feel that ringing Gary Merrit of Department of Transport would only be another wasted effort.

So now you can see what a truly sub standard service it is. You certainly have permission to send copies of this letter to anyone who's interested in doing something about it.

Of course, I am quoting that letter for her in Parliament. The letter continues -

After writing to Mrs Roberts -

Mrs Roberts is the Minister Assisting the Minister for Planning and Infrastructure. That highlights another reason nothing can get done: the Minister for Planning and Infrastructure lacks the competence to deal with the entire program. To continue -

and Mr Templeman, -

The MLA for Mandurah, -

I have little faith in either of them. Especially when they cannot even respond to my letters.

That is what my constituents think about the transport system being proposed by this Government and the budgetary fees it is setting.

This budget is no good for the young families in my constituency. The purchase of a \$180 000 median-priced home will see stamp duty increase from \$5 090 to approximately \$5 600, an extra surcharge of \$510. This will significantly reduce the benefit available from the Commonwealth's first home owners grant of \$7 000. Compulsory third party insurance will also increase on the family car by \$19.21. The stamp duty on motor vehicle licence transfers for a vehicle valued at \$15 000 - which is the price paid by the average person in Western Australia buying a car and not politicians, whose cars cost around \$30 000 or \$40 000 - will cost the average person, the person that the Labor Government says it will look after, an extra \$37.50. This is again squeezing the hand that feeds them; these people cannot afford it. This Government has no compassion for the young people of Western Australia. The desire to own a car or become a first home buyer means they will be taxed in such a manner that it will dull the desire, the excitement and the incentive to invest. It is absolutely wrong.

This budget has made no attempt to fast forward the Peel deviation. Main Roads has declared that the bypass at Mandurah should be a priority project, but the minister failed to acknowledge or heed the advice of her expert advisers or listen to the urgent demands of the local authorities in the Peel region. Like the rail link to Mandurah, this project is too big for the minister's capabilities. I repeat: the rail link to Mandurah and the Peel deviation are projects that are too big for the minister's capabilities. Their absence is holding up the State's progress, and particularly progress for my people in the electorate of Dawesville and those living around Mandurah.

The coalition's planned Perth-Mandurah rail link, designed by experts to go through Kenwick and to be finished by 2005, was scrapped by the minister just for an ego trip. No-one has brought this up before, but that was scrapped because of the minister's ego trip.

Mr Pental: I thought the member for Carine made out a case for that as well, but she probably cannot interject.

Mr MARSHALL: She is probably a little more subtle than I. Sporting matches are won on people's ego, and this minister's ego will win the next election for the Liberal coalition party. The minister used the excuse that

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the change from the Kenwick route to be finished by 2005 would save 12 minutes in trip time. This Labor minister on her ego trip is of the belief that she owns the railway system. It was proved the day before the election that the line could go from Mandurah to Perth, through Kenwick, and be finished by 2005. Two days back in Parliament and Labor speakers were saying that it was "our" train system or "my" train system. This is the psychology of the Labor movement. Government members have challenged opposition members in the House today: What piece of railroad did the Liberal Party ever build? Labor members seem to think that they are the only ones who can build a train track. Our train track was ready to go, and now the delays are not only costly but also are setting back the expectations and the forward programming for Mandurah. We are not happy with it.

Mr Bradshaw: They are like they are in Bunbury: they concentrate on Bunbury and forget the rest of the people who live in the south west. They concentrate on Mandurah and forget about the poor people living down in the Southern Rivers area. They forget that there are people who have lives and who count, because they want to get the people from Mandurah to Perth in 12 minutes less time. That is what they are on about. They want to save their seat in Mandurah. I have said to the member for Bunbury a few times that that does not work.

Mr MARSHALL: I thank the member for Murray-Wellington for those comments because he is absolutely right. This business of saving 12 minutes is the greatest piece of rubbish I have ever heard, because at the moment the tracks do not link up. It will take 10 minutes in Perth to change to the northern corridor or to catch a train to Fremantle. It will not work. The Labor members have not listened to the experts, because their ego of believing that they are the only ones who can handle the rail tracks in Western Australia is too strong. This belief will cost them the seat of Mandurah at the next election, because the locals are not happy with this delay. The budget has made no attempt to fast forward the Peel deviation. It came as no surprise to the Mandurah folk that the rail link had been delayed for another year.

Mr Barnett: They have been in government for 15 months and they have delayed it by two years.

Mr MARSHALL: That is right. We promised it in 2005 and now it is to be 2007. It is like a fairy tale, but in my electorate the Government is not dealing with youngsters and fairies. My electors have had this Government. They have wiped the slate clean. I have told them not to be surprised if the line is not finished by 2007. I have already won a wager with the Minister for Planning and Infrastructure, an \$80 bottle of Moet, that she will not finish it by 2006. I am ready to collect that. I sent her a letter in the mail a month ago in case she forgot. I am ready to collect.

The Perth urban rail development project has blown out to \$1.4 billion. It is \$168 million over budget already, just to save 12 minutes in travel time. The taxpayers in Western Australia will love that. When a person goes to the races he looks for value. He follows the bookmakers, he watches the twiddlers, he gets the value when he is on a winner. All the punters in Western Australia know they are on a loser with this Government because they are not getting value. In only two years Mandurah residents have lost faith in this Labor Government to deliver this rail track.

My electorate and Mandurah are still understaffed by 25 police and the police station is outdated, but no moneys have been specified in the budget for extra police for Mandurah or to upgrade stations to modern standards. At the moment there is no cell monitoring and no deaths in custody standards, and the offices are overcrowded. For four years we have negotiated to get a police station at Falcon but that idea has also been shelved.

Moneys have not been allocated for the environment either. This Government says it believes in looking after the environment. During the year I fought for four months to protect our tuart trees. I acknowledge that the Minister for the Environment came good in the end and gave \$20 000 to the project for saving the tuarts in Dawesville. I admire her for that. Last year she scrapped the coastal management strategy. It was thought that that would be reintroduced this year, but it was not. Given Mandurah's long coastline, the wild storms that come straight from South Africa, the strong north-westerlies and the south-westerlies, and the beach erosion, one would think that someone who understood the environment would be putting money aside for coastal management strategy. The recent storm damage in the northern suburbs emphasised the urgency for money to be allocated for work in the Mandurah area. The Government has not recognised this need.

One of the Government's pre-election promises was that it would provide money for the Peel Health Campus. Why would it not? Health is one of the most important issues in our State. Dialysis machines were promised for last year but did not eventuate. The Minister for Health has now promised them again. I have been pushing the minister for the past 12 months in this Parliament and trying to embarrass him into honouring his promise. I hope it will not be another 12 months before we get the fulfilment of the promise that was made two years ago. Mandurah is looking for the money promised for the day centre and for the number of dialysis machines in that area to be doubled. I sincerely hope that the minister will come good this year.

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No funds were allocated for mental health care. Although the Peel Health Campus can provide some mental health care, there is a need for services for patients who need more care than the practitioners at the Peel Health Campus can offer. Access to acute mental health beds in the city is limited. It is not unusual for patients with severe psychiatric problems to be held in the emergency department for 18 to 24 hours. This is not on. I would have thought the problem would be recognised and money found, because all the members in the area were asking for it. There is also a need for specialists in a wide variety of health areas to come to Mandurah and have rooms in the day care centre. That need was also not recognised in the budget.

For three years I have been pushing for money to be allocated to the project to have Murdoch University work in tandem with Peel TAFE. This is an educational need. The Mandurah area has had five new schools in the past eight years. It has had a new TAFE college. We have initiated a new Mandurah senior college which brings all year 11 and 12 scholars of the area together under one roof to prepare for tertiary education. That project was set up by the then Minister for Education, the member for Cottesloe and Leader of the Opposition. It was a well thought out program and is leading Australia. The next thing that must happen is to have a Murdoch University campus in Mandurah. The coalition Government promised to look into the option in 1996. Consultation continued until the Labor Government took over, but it has since fallen into a hole. Rockingham has a Murdoch University campus. Why would Rockingham have a Murdoch University campus and not Mandurah? Is it because Rockingham is an easily held Labor seat? I was at Joondalup yesterday. I was astounded at the tertiary education facilities and opportunities for people at Joondalup. It is one of the fastest growing suburbs of Perth. It has all its needs covered. Can Mandurah get to first base? No. Mandurah will get a few extra teachers, which is a good thing to have. Mandurah must improve its tertiary education facilities and keep its youth learning at school so that their job opportunities improve as they get better qualifications. That very important issue, together with others, has been overlooked in this budget. The budget contained nothing new for Mandurah. The second extension for the Mandurah Senior College was always promised. The same applies to the Peel regional scheme and the Peel regional park. Those projects were already under way under the former coalition Government but were shelved last year. This Government has said this year that it will have a look at them. Everyone has been misled so much by "let's have a look at it" that it is like going to the racing sales to buy a yearling. If everyone looks at the yearlings and does not buy, the breeders do not make a living, the feed people do not make a living, the trainers do not have any horses to train, the jockeys do not get a ride and the racing industry falls apart. It is all very well to look, but how about some action? I want some action.

Mr Pental: You are a great disappointment to me. You are 15 minutes into your speech and you have not mentioned the Peel Thunder Football Club.

Mr MARSHALL: The member for South Perth has just reminded me of something that I would like to forget. I thank him for the interjection, because Peel Thunder Football Club is very important to the region. I must remember to put that on my agenda.

Mr Pental: I withdraw my interjection.

The ACTING SPEAKER (Ms Hodson-Thomas): Order, members!

Mr MARSHALL: Other promises were already in the forward estimates. The local member went to the Press and said that the budget was a big deal. Anyone who could read between the lines laughed. Money for the infill sewerage program was slashed in last year's forward estimates. Sewerage infill program work was scrapped in Falcon, Halls Head, Dawesville and Riverview, to save \$170 million, none of which came back to the electorate. Only a small amount of money has been returned to the sewerage infill program this year. It will be interesting to see how much will be achieved in one year with this budget allocation.

The second stage of the Mandurah ocean marina was always going to happen. What a bonanza this Liberal project is turning out to be for the area and for the Government. It was estimated that the \$220 million project would cost the Government around \$55 million when all the land sales got under way. The LandCorp land sales have exceeded expectations by 100 per cent. Land sales in the area have had phenomenal pricing. The first stage was expected to start with 80 pens but started with 100 pens. The offshore fishing club and yacht club have record membership. The sea rescue facility is simply superb. The \$220 million investment will make the Government look good, because the land sales will well and truly cover the budget. The Government is saying that it will supply a little bit of money for the second stage. The project is making money for the Government, so it must get things in perspective.

There is nothing new in the budget. It is a terrific disappointment for the people of Mandurah. I have two further points of dissatisfaction to declare. The State Government, in claiming support for the Peel Thunder Football Club, has produced nothing but hot air for ensuring that the club stays in the Western Australian Football League competition. The club and its location are part of the future of the development of junior

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football in Western Australia. The club meets all the criteria that have been set and those of the other eight metropolitan clubs. Its sponsorship is at the top of the table. It has double the attendance of other clubs. The second tier football clubs' attendance figures are causing a great deal of concern. Their attendance is averaging about 1 000 people a game, whereas the attendance for Peel Thunder games averages about 2 000. Its recorded junior development numbers are second only to those of East Fremantle Football Club and far outstrip those of all the other clubs. Its membership is high.

If one is looking for a fault, it is that the Peel Thunder Football Club's performance is struggling. That is happening after five years even though it has already produced four Australian Football League footballers. Those four youngsters would never have been recognised had a regional country football team not been introduced into the WAFL competition and not broken into a metropolitan competition that has been going for 100 years. The Peel region is virtually the equivalent of Joondalup. We can therefore see that the future of football is in the outer perimeters of the metropolitan area and not in the old inner areas. The Peel Thunder Football Club's game will improve, and as its game stabilises and tradition develops, the club will win more games.

I remind the House that when the Subiaco Football Club was introduced into the WAFL, it came last in its first seven years of competition. It came last more than any other club. Subiaco should amalgamate with the Claremont Football Club. Swan Districts Football Club has been a regular wooden spooner, and West Perth and Claremont Football Clubs have eaten their share of humble pie. I am bemused and baffled why the metropolitan Western Australian Football League presidents - supposedly the promoters of the game - cannot see the value in keeping Peel Thunder in the competition. I am also bemused and baffled why the Government has not worked harder to provide more support to Peel Thunder to stay in this competition.

My final point is very important and close to my heart. The member for Mandurah and I should work in a bipartisan fashion to get the best for Mandurah. His electorate encompasses old Mandurah and has only 14 000 constituents. My electorate of Dawesville, which has 18 000 constituents, is referred to as "new Mandurah". It is the population boom area along the coastal strip where everyone wants to live. These new residents demand better facilities and infrastructure. I need the member for Mandurah's help to ensure that Mandurah gets its fair share of the budget. Unfortunately, he is an apprentice in the game of politics, and he is taking too long to learn his profession. Kissing babies, going to flower shows, opening fetes and getting his photograph in the newspaper are only a small part of a politician's job. I remind the member that he must earn the respect of his ministers and he must be manly and sell Mandurah to them if we are to get any money. Our area must get the same amount of money that it received under the coalition Government. The past two years have been abysmal; this Government's first two budgets have destroyed the locals' confidence. They are not happy with their representative, because he is not getting any of the money. I cannot get it, but when I give him a few tips he is not prepared to listen. I am going grey because, as teachers know, if the pupil has not learnt, the teacher has not taught. The member for Mandurah should grow and get his priorities right. He should stop worrying about getting his photograph in the newspaper and get stuck into getting money for our electorate.

Several members interjected.

Mr MARSHALL: We share the representation of Mandurah. Two-thirds of it is in Dawesville. He is letting me down.

The budget has been a disaster for Mandurah for the second year in a row. The people of this exciting area deserve better. There is nothing in this budget to change my mind. I give it four out of 10.

**MRS EDWARDES** (Kingsley) [8.05 pm]: I will raise a number of issues that affect not only the northern suburbs but also people in my electorate and the various portfolio areas for which I am responsible.

The Leader of the Opposition summarised the budget well when he referred to the Government's broken election promise that there would be no increases in taxes. This is the Government's second budget and it delivers the second round of tax increases. It is fair to say that, once again, it demonstrates the Government's dishonesty and reinforces the fact that it cannot be trusted. This budget is built on broken promises and relies on the deferral of projects and commitments to road and rail funding. Cost increases will probably cause those projects to be delayed yet again.

The Government's labour market forecasts are very optimistic. It appears to be ignoring all the warnings issued by the business community about the impact of the labour relations legislation. The budget refers to ensuring that the legislation is implemented, but the Government is ignoring the fact that hours will be cut and jobs will be lost. As a result, people will change their work status from full time to part time or casual and businesses will close their doors. The forecasts that unemployment will be 6.5 per cent, economic growth will be 2.25 per cent and inflation will be steady at three per cent in 2002-03 are very optimistic. It will be some time before the full

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impact of the legislation is felt, but it will be felt. Changes will occur when workplace agreements expire and employees move to awards or industrial agreements. I have relayed to the House the business community's predictions of widespread job losses.

The Government continually says it wants to promote employment and economic growth. However, in the face of universal criticism about its proposal to hand the control of workplaces back to the unions it has not said why it has introduced this legislation. It has totally ignored the potential impact. It did not carry out a full cost-impact analysis on employers, employees or investment. What have we seen from the Government? It has released a cartoon for local newspapers and *The West Australian* showing everyone happy on the train. Everyone is not happy on the train. Many businesses will have to pull in their belts and workers will have their hours cut or lose their jobs. The cartoon will be remembered as a joke.

The impact on consumers and economic growth has also not been considered. Of course, extra costs will be passed on to consumers if businesses cannot absorb them. I have been told that some businesses will reduce services, particularly those in the tourism and hospitality industry. That will have a huge impact on towns such as Albany, Bunbury, Mandurah, Fremantle and so on. Businesses in those towns, particularly the restaurants, will suffer huge increases in costs. I heard a story yesterday about a business at which one employee starts work on penalty rates at 4.00 am and works through until noon, whereas another employee starts at normal rates at 8.30 am and is not paid penalty rates at any stage during the day. The first employee's normal working day is 4.00 am to 12 noon. The notion of Monday being treated differently from Saturday and Sunday is long gone in today's working world. We are asking for seven days a week, 24 hours a day. Our lifestyles revolve around that. If we go backwards, there will be a backlash from the consumer market in particular.

Another issue that I raise is the level of dishonesty in the budget papers when they refer to net debt as a share of revenue. The Leader of the Opposition dealt with that in some depth. Therefore, I will not go through it in the same level of detail. The Government carefully explained that if the ratio of net debt to revenue for the total non-financial public sector increases above 45 per cent, it may cause concern for credit rating agencies. Therefore, all of a sudden, the Government put forward a figure above which it will not go - a cap of 45 per cent. However, the Government had the cheek to go on and say that the 45 per cent target was not met in the early 1990s, when rating agencies conferred a lower rating on the State.

Mr Barnett: And who was in government?

Mrs EDWARDES: We were in government at that time. If one relied on the accompanying table, one could be excused for thinking that the problem had been caused by the previous coalition Government. It was in government in 1993-94, and the period starts when the ratio was over 70 per cent. Therefore, one could be excused for thinking that the previous coalition Government had caused that higher net debt to revenue ratio. The budget papers omit to state that the activities of the previous Labor Government created the problem, which the coalition Government succeeded in remedying, to the point that it handed over 36 per cent net debt ratio at the time.

Mr Whitely interjected.

Mrs EDWARDES: The member should not talk. I will deal with the sale of assets shortly, and the member can listen.

The debt is all Labor's. The frightening part of this second budget is that debt is increasing already, yet there is nothing to show for it, except words, fancy launches and media releases. There is nothing to grab hold of. Nothing can be seen of where that extra money has gone.

I suppose the key reason that people distrust this budget is the Government's broken promises to not increase taxes, and the abolition or deferral of projects that had been previously promised. They are no more evident than in roads and in the railway. A wide range of taxes were increased in the first budget, and they have been increased even more in this budget. The Leader of the Opposition outlined a number of other increases that have come through delegated legislation. Regulations are a wonderful source of revenue: applications, licence fees -

Mr Barnett: Probate.

Mrs EDWARDES: - probate and death duty. There are all those opportunities to sneakily increase taxes. The list that the Leader of the Opposition read out is by no means the end of it all. Often one finds that a licence fee that was paid every two years is now paid every year. Has the application fee gone down? No way. Therefore, people pay the same amount every year as they had been paying every two years.

Mr Barnett: That is a 100 per cent tax increase.

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Mrs EDWARDES: When the coalition was in government, it tried to extend those annual fees to two or three years. One reason for doing that was to make efficiencies and to save public sector costs, because the job of issuing licences every year takes a lot more work than issuing them every two or three years. Therefore, the Government has not only increased the revenue but also failed to take into account that it costs more to do that. That has not been factored into the equation.

This range of taxes that will be introduced will impact on the lives of people throughout the State, and on economic growth. I suppose the easiest examples to which we can point are two of the taxes that have been increased this year; that is, the stamp duty on property values and on conveyancing. I was reminded that earlier this year the Minister for Planning and Infrastructure proudly announced that 58 000 residential lots would be created in the metropolitan area and in Mandurah in the next five years. How much stamp duty will that amount to? One can see why it was an easy target for the Government to place that extra stamp duty on real estate.

However, the Government is ignoring the fact that those taxes impact on ordinary people. In England, for first home buyers or for homes that are below a certain price limit, there is no stamp duty on the transfer. That provides real opportunities for those people who are on low incomes or are buying their first home. Instead of putting extra money into the Government's coffers, so that the Government can spend the money on whatever it believes is the priority, people have the money to buy their fridge or washing machine. We know what it is like when people are buying their first home. They scrimp and save every cent they have and try to work out when they can afford the curtains and the floor coverings. They decide that they will not get the lounge suite in a particular year because they need a dining room suite or a kitchen table and chairs. People go through that exercise. Therefore, if people must pay an extra \$300 or \$500 when they are buying their first home, it will have a major impact on them, particularly young people. Of course, it will have a downgrading effect on the first home buyers scheme and the Government's HomeStart or Keystart scheme - whatever is its name at the moment.

This is one of those hidden costs that home buyers could well do without. It is no good the Government thinking that it will be hidden in the cost of the block or the house, or be totally ameliorated in some way, and therefore criticism will be reduced. It will have an impact. It is an easy source of revenue to increase stamp duty. It is a wrong decision, and it should not be put in place.

Some of the phrases in the budget papers are interesting. A phrase that I really love, particularly in connection with taxes, is the one contained in the Government's financial targets; that is, to maintain Western Australia's competitiveness. I love that one. That is code for increasing taxes to help the Government meet its targets. It has nothing whatsoever to do with increasing Western Australia's competitiveness.

I now come to public sector management. The issue is, how many faces of the public sector does the Government see? Before the Government came into power its policy was clear that it would reduce the number of ministers and the number of departments. The Premier talked about reducing by 60 the number of chief executive officers. Obviously departments had to be amalgamated. However, restructuring the public service costs dollars; it does not necessarily lead to savings.

Mr Barnett: There is a lot of empty office space being paid for at the moment.

Mrs EDWARDES: How much vacant office space is being paid for by the Government because of collocation or how much office space is not being used to its fullest because of the respective locations? That is a valid question to be asked in the estimates committee hearings.

I will talk about the restructuring of the public sector. It was first suggested by the Premier that the restructuring would be about cost savings and greater efficiency. The Deputy Premier then said that jobs would be lost. Let us see whether jobs have been lost, whether there have been cost savings and whether there will be greater efficiencies. Table 2 in the *Economic and Fiscal Outlook*, Budget Paper No 3, indicates general government operating expenses. Estimated actual salaries under gross operating expenses in 2001-02 are \$4 135.1 billion; in 2002-03 they increase to \$4 320 billion; and in 2003-04 they increase further to \$4 439.8 billion. The percentage increase this year is far greater than inflation. In the forward estimates they continue to rise every year by about 2.7 to three per cent.

Mr Barnett: That does not make sense, does it?

Mrs EDWARDES: Let us start at the beginning. The Government intended to get rid of 60 CEOs. Did the Government get rid of 60 CEOs? Did those CEOs take a management-initiated redundancy package? How many of those CEOs does the Government still have on its books in some way?

Mr Ripper: It was the senior executive service and I recall it was over four years.

Mrs EDWARDES: I thank the Treasurer for that. How many have taken that redundancy package?

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Mr Ripper: That is a public sector management portfolio issue.

Mrs EDWARDES: I will ask the Premier that question. That was a nice little handball!

When anybody takes a redundancy package - I am not talking about the enhanced redundancy package, I will get to that shortly - the only way to save money is to abolish the position. If a level 8 takes a super duper redundancy package, that position is then filled with a level 7 acting in the level 8 position, then a level 6 acts in the level 7 position and a level 5 acts in the level 6 position and so on. It all goes up and up and no money whatsoever is saved. In answers to questions I have received, it was indicated that only one agency abolished a position. In other agencies some positions were not abolished but the jobs were incorporated into other people's functions. However, a number of positions were already filled by acting people and there is, therefore, no intention to abolish those positions. No money will ever be saved in the restructuring of the public service until those jobs are abolished. If a person wants to go, the position should be abolished.

I will refer now to the enhanced redundancy package. Obviously the Government had some concerns about the package because all of a sudden it had 418 redeployees on the books. Obviously that number has increased through the restructuring and it is therefore a major issue. Having been in government, I know it is a major issue and that there is a real difficulty in trying to accommodate redeployees. The Government must be very firm with the agencies because every single one of those redeployees is valuable. I disagree totally with the Treasurer when in *The West Australian* on Saturday, 13 April, he said -

... redeployees had work to do but it was low-priority work and their services were not required.

The Government must put in place a very strict regime for redeployees and I will tell it why. I will refer to volume 8, No 8 of *InterSector* and to some of the positions that have been advertised. An agency cannot advertise a position until it has gone through the redeployee list. The first thing that any agency should do before it advertises a position, either outside or within *InterSector*, is go through the redeployee list and sign off to the minister that it has checked the list and no-one is suitable to carry out the functions of the particular job. Let us just have a look at that. The Conservation Commission of Western Australia advertised for a level 9 executive director on a five-year contract. However, is the Government saying that out of those 418 redeployees nobody in that unit could carry out that job?

Mr Ripper: You made a valid point. Part of the arrangements in association with the enhanced voluntary redundancy offer is a more rigorous application of redeployee provisions. Agencies are required to make more effort to take on redeployees when they are suitable and more effort to require redeployees to take up suitable positions.

Mrs EDWARDES: It is good to hear that. I am saying that I bet it does not work. The agencies know that is the Government's criteria. If public servant X says to a CEO that he wants to take an enhanced redundancy package, the CEO will say he cannot do that because public servant X is a level 7 or level 6, whatever the position is, and the agency needs that position. However, public servant X might say that he does not work there now, he is on secondment, or whatever, and nobody is filling the job. The CEO will say that he does not want to give up that job. Therefore, that person will not get the enhanced redundancy package because the CEO will not give up that position until he is forced to do so. No-one may be working in the job and carrying out its functions or the functions may have been absorbed into other agencies, but the CEO will not give up the position. This situation reflects the answers to questions I have received. Not only are people acting in some of these positions but also other positions are just hanging there. Until Treasury gets really tough and demands the position back because nobody is carrying out the job, the Government will not get the savings it wants. The previous Government found itself in the position of having a vacant level 1/2 position and when it went through the redeployee list to see how many level 1/2s were on the list, the agencies said that there were a couple but none was suitable. What skills does one need to answer a telephone? If a person has not answered a telephone or been on a reception desk before, he or she can be given a one or two-day training course. I understand that clerks cannot become nurses; that is a different issue and that is not what I am saying. However, people on the redeployee list can be retrained and/or reskilled, or even trained, for some of these positions. Until the Government gets tough and serious about the matter, it will not achieve its target and costs will be of its own making. It is handing out a wonderful \$20 million in an enhanced redundancy package but that is not targeting the people who really want it. Redeployees have obviously been put in a position in which they do not want to be. They would much prefer to be back in the agency doing the jobs they were previously doing. As such, they are not very happy and they do not want to leave the public service. They are very comfortable within the public service; they have been there for 15-odd years and they do not want to go out into the big wide world of the private sector. It is a comfort zone. Therefore, for the Treasurer to say that their services are no longer required and they are not doing valuable work is an insult to them as individuals. I know that a number of them felt very uncomfortable with that statement. They want a job. They are putting up their hands and saying that they want

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one of these jobs. What are the jobs? One is for a level 3 human resource officer in the Department of Justice. Another is for a level 3 executive assistant at the Peel Development Commission. The Department for Planning and Infrastructure has advertised for a manager of portfolio management in land management and environment. In the advertisement for a level 2 customer service officer in corporate services, the job description asks for a person who will provide prompt and efficient service to all customers and an advisory service, coordinate facilities management and supervise the switchboard. Is the Treasurer telling me that no-one on the redeployee list could do this customer service job in corporate services? I do not believe it. Another advertisement is for a position in the Department of the Premier and Cabinet. That might be a different issue.

Mr Barnett: How many staff does it have now.

Mrs EDWARDES: I do not know. That is a good question. The office of the Deputy Premier needs a level 8 principal policy officer. It may very well be that he does not want any of the 418 people on the redeployee list to work as a policy officer in his office. It is quite clear that he does not. The job has been advertised. It would not have been advertised if there were no position.

I turn again to volume 8, No 7 of *InterSector*, which contains some really enlightening material. It has advertisements for levels 5, 6 or 7 positions. The skills required are varied. There is an advertisement for a research officer in the Department of Agriculture. Whereabouts? In South Perth. It sounds like a pretty cushy job to me! Central TAFE, in the heart of the city, is looking for a level 3 marketing and functions coordinator, a position which is currently located at the East Perth campus. That person will be responsible for planning and coordinating advertising and promotional activities. Does that mean that no-one out of the 418 redeployees could carry out that job? It is also seeking a level 8 director of facilities. How many senior executive service positions or level 8 positions, which I think are below SES positions, are sitting there? Another position is at the Leederville campus for a person who will direct, plan, manage etc. There are also positions for librarians. When agencies that had libraries came together, not all the librarians were retained; yet positions for level 2 and level 4 librarians are being advertised. I find that absolutely abhorrent. Where are the librarians who did not get jobs in the restructure? I continue: another advertisement is for a level 3 senior records officer who will be responsible for the records management system. Is the Treasurer telling me that not one of the 418 redeployees could do that job? There is another position for a level 5 coordinator of skills recognition. I could go on and on. I have marked all the advertisements. I would be happy to hand them to the Treasurer so he can double-check them.

Mr Ripper: I think the member for Kingsley draws attention to some well-known difficulties of the redeployee system in the public sector.

Mrs EDWARDES: Absolutely.

Mr Ripper: When I said that there was no work for some of those redeployees, I think that applies in some cases. However, in other cases the very things that she is talking about should be made available to them. If the member continues in this vein, I will give a copy of her speech to the people running the program.

Mrs EDWARDES: That is an excellent idea. I would also get someone from within Treasury to say that there will be stricter rules and then go back over the advertisements in the past month. It is not just the advertisements in *InterSector*. Positions were also advertised in last Saturday's and in many previous Saturdays' *The West Australian*. All these jobs are being advertised. The Department of Education has advertised for a class 3 executive director. If the Government has not got rid of all 60 of those chief executive officers and other SES public servants, that would be perfect. It is very hard to place those people in positions. It is a perfect opportunity to find places for those SES public servants who no longer have positions as a result of the restructure.

The crux of the matter is the two faces of the public sector. The Treasurer wants to save money and create greater efficiency and the public sector will fight him every step of the way. These advertisements prove it. If the Government had the same system that we had when in government, the ministers would have to sign off on those advertisements. Do ministers now sign off on advertisements for new positions?

Mr Ripper: Some advertisements have come before me. I am not sure whether that is the pattern across all agencies.

Mrs EDWARDES: Some of them may have delegated that function to the CEO. Perhaps it should be the responsibility of the ministers to sign off on the advertisements. They should ask to see the redeployee list and not just be told that there are one or two but no-one is suitable or that no-one on the redeployee list is suitable. The ministers should not be told by their departments that they need the positions filled as a matter of urgency and they must be advertised in next week's *InterSector*. The ministers should get the list and ask why there are two positions for librarians when there are three librarians on the redeployee list. Why can this clerk, who was



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previously operating as a level 3 clerk, not do this level 2 position and maintain the level 3 salary? If these people are given real jobs to do, I am sure the Treasurer will start to achieve some of his targets. His forward estimates do not show that expenditure is even levelling off. It is going up. From next year, the forward estimates will go up again. There will be salary increases and the public sector parity arrangement has been completed. Public holidays and the 17.5 per cent loading, which were traded off, have been returned to people. Some public servants are not very happy because their salaries are just being maintained until the current agreement catches up with their agreement. They are being penalised because they went on to very good and conducive workplace agreements. They have been paid too high a wage for the past two years, so now they will have to wait until the rest of the public sector catches up. A lot of this is of the Treasurer's own making. He came in with a policy to introduce parity within the public sector, without realising the full cost of that policy. He could not carry out that policy commitment because full parity would have cost \$191 million a year. At the moment it is costing \$130 million a year. Therefore, huge increases are still to come. How long is the doctors' agreement for? Two years. That will kill the forward estimates. It will not be just 2.7 per cent increases. The nurses' agreement is out for two years.

Mr Barnett: The teachers' agreement is coming up.

Mrs EDWARDES: Yes; the teachers' agreement is coming up.

Mr Ripper: We could just run with an unfunded agreement as did the Leader of the Opposition.

Mrs EDWARDES: The Leader of the Opposition was a very good Minister for Education. We do not regret one dollar spent on education for our kids. The figure for salaries shows that the Treasurer has a major problem looming. Net debt will blow out even further just to pay for salaries, which is the biggest component cost, and that is recognised in the budget papers. The Treasurer can do better than his \$20 million enhanced redundancy package and save some money. He can get rid of some of these advertisements and place some of the redeployees into real jobs.

Mr Barnett: It would be good if they gave the Opposition a level 8 staff member; it could do with a chief of staff.

Mrs EDWARDES: That would be one redeployee who would fill a real job.

Mr Barnett: For the first time in the history of the State the Opposition does not have a chief of staff. Do you think that is equitable? It is cheating.

Mr Ripper: As you well know, allocations must be made to the National Party.

Mr Barnett: No, they don't.

Mrs EDWARDES: If the Leader of the Opposition were a Greens (WA) member he could make a deal!

The other expense that will blow out even further is the Government's annual leave, unused long service leave and pro rata long service leave liabilities. The figures I received in answer to questions in the Legislative Assembly show that liability to be in excess of \$1 billion now. That is what the Government owes. If the Government does not provide a strategy to reduce that liability, an enormous cost blow out will occur in the salary component of the budget.

Mr Barnett: I think I'm starting to understand why the debt blew out.

Mrs EDWARDES: That is one component. The Government's claim that the restructure of the public sector was to deliver cost savings and greater efficiency is smoke and mirrors. The restructuring of the public sector has cost money. Departments and agencies have not been properly formed and collocations have yet to occur. Vacant office space is still incurring rent as a result of collocations. That is a huge cost component of the restructuring. It will take years for the restructuring to be finalised.

The other day the Minister for Planning and Infrastructure raised another component in the restructure of the public sector. In the initial redundancies the Government lost good people. The minister said the other day in response to a question on another matter that she was concerned about the deskilling of the public sector. She referred to a loss of efficiency and an increasing need for contracting out. While the salary component is increasing steadily, the cost of contracting out will increase. The redundancy packages did not target the people they needed to target to effect savings. The contracting out component has not been factored into the cost.

Another issue about which I feel passionate is occupational health and safety. I will be sorry to see the changes in the Labour Relations Reform Bill implemented that will make occupational safety and health an industrial matter and allow union officials the right to enter a work site to purportedly investigate occupational health and safety issues. The Government said on page 438 of budget paper No 2, volume 2 -

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Strategies implemented since the *Occupational Safety and Health Act 1984* introduced in Western Australia in 1988 have had a significant impact. The most recent work-related injury and disease statistics show the long-term downward trend continuing. Between 1994-95 and 1999-00 . . . Western Australia recorded a reduction in lost time injury and disease frequency rates of 27.3 per cent.

The policy is working well. It is working far better in Western Australia than in any other State in Australia. Its future operation will be problematic. By handing over control of workplaces to the union movement, including occupational health and safety as a key component of industrial matters, the Government will destroy all the goodwill that has been developed through education and awareness campaigns between WorkSafe Western Australia and the WorkSafe Western Australia Commission and employers. The level of trust and confidence that employers had previously in WorkSafe will be all but gone when union officials enter those sites under the guise of checking on occupational health and safety when in fact they have a different agenda. It is well documented that in the 1980s the Occupational Health, Safety and Welfare Act was introduced by a Labor Government to provide a strategy for getting union officials on sites. This Government's policy will return us to that situation. I fear that not only will we return to the bad old days of the union movement using work safety as a platform for other issues, but also, and more importantly, the number of injuries will increase. That will be an absolute disgrace given that our policy worked well.

I refer to a number of other issues in my electorate. The Greenwood train station is a good example of a project that the Government has deferred. By doing so it is spreading out the time in which money is spent; for example, a road that was on a five-year plan is now on a 10-year plan; a project that was on a three-year plan is now on a seven-year plan. The Greenwood train station was due to be completed by 2003; it is now due for completion by the end of 2004. Commuters who struggle each day to get a car parking bay will not be happy, as they have indicated to me.

The Government's planned changes to the TAFE system also involve selling off an asset in the northern suburbs. The impact on staff and students of the dislocation will be enormous. It is a tragedy. It is also code for job losses. About 60 to 80 jobs will be lost in that one move. A question will hang over the fate of not only the hospitality and tourism component of TAFE, but also the on-line services. The West Coast College of TAFE has been innovative in implementing the on-line service. When the Minister for Education says no lecturers will be required, he should bear in mind that the on-line services require administrators. The correct language must be used when referring to lecturers and administrators, who will lose their jobs. What will happen to the land on which that TAFE exists and, more importantly, what will happen to the money it will return? Will it be reinvested in training? When the coalition Government was in power there were howls of protest about its selling assets. This Government is doing exactly the same thing. I do not believe the money will be reinvested in training in the northern suburbs. If it is not, it will be to the detriment of the staff and students.

**MR TRENORDEN** (Avon - Leader of the National Party) [8.48 pm]: Before I make my budget speech I will refer to an issue that is important to me. I am very pleased to say that it is also important to many other Australians. I am referring to the passing of Alec Campbell. We should have done something in this House earlier other than hear the Premier's tribute. It is not a minor matter. The great thing about the passing of the last Anzac -

Mr Dean: He was not the last Anzac. He was the last of Gallipoli.

Mr TRENORDEN: He was the last Anzac. The Anzacs were those people who landed at Gallipoli. We can have this pedantic argument afterwards. The birth of Anzac was the mixing of the Australian and the New Zealand forces for the first time at Gallipoli.

Mr Dean: It first appeared on ration cards in Cairo.

Mr TRENORDEN: That is a pathetic effort. That event at Gallipoli means different things to hundreds of thousands of Australians. I am not trying to say that any of us should have a particular view about this event, but we should have a view. In my thinking, the Gallipoli campaign was a passing of innocence; and our last link to that era has gone with the passing of the last person who fought in that engagement of the Australian forces at Gallipoli. I point out to the member for Bunbury that there have been four different occasions when Australian forces fought before the First World War. The very first time Australian forces ever fought was in New Zealand, the second time was in China, the third time was in South Africa and the fourth time was in the First World War.

Mr Omodei interjected.

Mr TRENORDEN: The important point about the Dardanelles was not that it was a war, but what it did to Australia. I do not want this to be taken out of context, but I take a great deal of interest in American history. The passing of the last Confederate some time in the 1930s or 1940s was an important time for similar reasons.

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During the American Civil War, it was the loss of innocence - all those young men who died in a horrific war, the first modern war. According to historians, the American Civil War was the first high-tech war. In the Australian case, that linkage has gone. There would be few people in this Chamber who do not have someone in their lineage who was in the Great War, the Second World War, the Korean War or Vietnam. A whole range of people have paid a price. I am pleased that a lot has been written in recent times about this subject, but I was a little disappointed that we in this House did not do more in this House today. It would have been good to do that, although Alec Campbell was not a person who would have wanted this for himself. I did not know him, but I have read some of his words. He just happened to be the last surviving person in the world who fought in that campaign, which was a watershed in Australian history.

I will return to the budget. I said in this House a few days ago that the Labor Party has a problem because it does not really understand how wealth is created and how it is sustained in Western Australia. In two budgets this Government has not recognised whom it should be nurturing and leaning towards. This Government really believes that it can ignore the goose that laid the golden egg, because it apparently believes that wealth cannot be sustained. If government members do not sustain industry and those people who go out and create the resources, things will fall down around their ears. It does not make any difference if they are referring to a miner in Newman who creates an export income or someone in my electorate or in the timber industry, we must recognise and nurture those things that sustain our lifestyle. The last two budgets have not done that.

Mr Hyde: What have they done for Burrup?

Mr TRENORDEN: What does the member mean?

Mr Hyde: Burrup is booming.

Mr TRENORDEN: That is nothing to do with the Labor Party. Let us hope that in a few days' time when the decision comes out of China, it comes out in our favour. The Labor Party can claim 150 jobs lost from the Department of Agriculture. Those jobs will be removed from Albany and the member for Albany knows that. Agriculture is the second biggest industry in the State. Twelve per cent of our export industry is derived from agriculture. Is Labor sustaining agriculture? No, it is not; it does not give a damn. The fact is that researchers are being removed from the Department of Agriculture, yet one improvement in the variety of wheat is worth tens of millions of dollars. That is countless times more than those people's salaries as public servants and countless times more than the cost of the telephone or the car or all the other things that sustain those individuals; but the Labor Government is happy to lay off those researchers. That is a very short-sighted view.

The same thing can be said about power. Two huge bites have been taken out of Western Power. In the central wheatbelt area, maintenance has vanished and no extension work can be done. There is no money left in Western Power. People are trying to establish industries in the central wheatbelt and in the mid west, but it cannot be done. Western Power cannot support the industry.

Mr Hyde: So should we go for the coalition's plans and make people pay more for their power, rather than Labor's plans which have helped regional people by keeping the parity price?

Mr TRENORDEN: Is the member for Perth sure that the coalition did that? Is he sure it was not the Democrats and the federal Government? It was. The member for Perth does not know what he is talking about. When the goods and services tax was going through, the Democrats demanded that light crude be taxed. It went from a non-taxed situation to a taxed situation, which was the main reason that the cost of power generation in Esperance has gone through the roof. What did not happen - the member was here when I said it in this House - was that the State did not apply the tariff. The real problem was that the Democrats did the deal with the federal Government - and the National Party is part of the federal Government - and taxed light crude. That was the main problem.

Mr Ripper: Does the Leader of the National Party know that a large sum of money promised for renewable power generation to flow from that diesel fuel excise has now been substantially cut and spread out over six years instead of four?

Mr TRENORDEN: By the federal Government?

Mr Ripper: Yes.

Mr TRENORDEN: The Treasurer has seen me arguing in the Press about those issues. I am not being cute about those issues; I am not protecting the federal Government or the previous Court-Cowan Government, because it was not right. The previous member for Merredin was involved in that argument as well. The cost resulting from the tax on light crude was a major problem for those people not on the grid.

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Mr Ripper: I shared the views of the previous Government on that matter. The federal Government taxed us and made our power generation more expensive, and then it gave us back our money with conditions placed on it. Now it is not even giving us back all our money on conditions.

Mr TRENORDEN: There is no argument from me on that issue. Expenditure on country roads is down by \$100 million. One of the Treasurer's colleagues, the Minister for Agriculture, Forestry and Fisheries, is wrestling with the question of where the saleyards should go. What will happen with the roads? There is a huge problem, because the road system will not sustain the traffic that will be generated wherever the saleyards go, whether it be Muchea, Northam, Moora or wherever.

Mr Hyde: What is the National Party's position on the site?

Mr TRENORDEN: The member for Perth might want to cast his mind back. The Midland saleyards were put there by the industry, which paid 100 years of levies. The saleyards were sited there because they were in the right place to sustain the industry. The new saleyards should be sited on the basis of exactly the same argument. It should not be based on a five, 10 or even 50-year projection but a 100-year projection of the best outcome for the industry. Whether I want the saleyards for the town of Northam or someone else wants them for the town of Moora, the overriding consideration must be what will provide the best outcome for the industry. The member must not ask me what will be the best outcome for the industry, because I am not privy to the information that the minister has.

Mr Hyde: Therefore, you do not have a position?

Mr TRENORDEN: Max Trenorden has an opinion as the member for Avon; that is, the saleyards should definitely not go to Muchea because Muchea would become very urbanised. The member can pick a period of years. It does not matter whether it is 10, 20 or 30 years. All the problems that apply to Midland will apply to Muchea. This is a genuine view and not one based on looking after Northam. I want to sustain a very important industry for the region. I have attended meetings at the town of Toodyay. Plans are being put in place so that trucks cannot go through the town of Toodyay. We cannot blame the people of Toodyay. Ministers have put forward the same arguments for towns such as Armadale. People are people. Why should the town of Toodyay have trucks rumbling down its main street?

I am concerned about the damage that has been done to the bottom line of rural Western Australia. The Government has given us two very poor budgets. It means that rural Western Australia is under funded. It is hard to see how some of the arguments will be sustained. At the moment, roads will not be built. The rising acidity of land in the wheatbelt means that lime must be hauled to the wheatbelt from Lancelin, Jurien Bay and those sorts of places where it is mined. The problem is that no roads can sustain that traffic. A percentage of that traffic is currently going through the metropolitan area because the metropolitan roads are reasonably formed and can take reasonably heavy traffic. At some stage, lime in large tonnages must get to the agricultural regions. A similar argument applies to salinity. The Government must take some action, which has not been evident until now. If we do not look at those things that sustain industry, whether it be the mining industry or the agricultural industry, we will pay a substantial price.

Whether people want to argue it or not, the wealth and prosperity of Perth relies on the regions. It does not matter how people look at it or whatever way they want to move it around, the fact cannot be denied that much of the wealth and the lifestyle of Western Australia comes out of the regions. If people are not prepared to sustain the regions, there will be a cost. The cost will be to not only the regions but also the metropolitan area, where people will wonder why their lifestyle is going down. They will act in a similar way to country people, who are now asking why they must take so much pain so that Mandurah people can get to Perth 10 minutes quicker. If government members think that the extension of the railway to Mandurah is not a problem in rural areas, they are not switched on.

Mr McRae: Is it not the same as the Polly Farmer Freeway?

Mr TRENORDEN: The Farmer Freeway cost about \$400 million. The cost of the Mandurah railway extension is running at something like \$1.5 billion to \$2 billion.

Mr McRae: That is part of the problem that we have with these costings. The Court Government costed the Polly Farmer Freeway in 1992 or 1993 dollars. It was never envisaged that the whole project, involving the bridge, tunnel and freeway connections, would cost any more than about \$350 million, if my reading of *Hansard* for the year 2000 is correct, yet if the project's cost is calculated and adjusted to actual costs to the completion of project date in the year 1999-2000, the project cost \$600 million. Compare that with what the Treasurer and the Minister for Planning and Infrastructure have done -

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Mr TRENORDEN: What the member is telling me -

Mr McRae: Hang on! Let me finish.

Mr Johnson: It is the member for Avon's speech. Don't say "hang on". You will get your turn on Friday.

Mr McRae: I will be here. I hope you will be.

Mr TRENORDEN: If one adopts that logic, the \$1.2 billion railway line will cost \$2.4 billion or \$2.5 billion. A lot of people in rural areas that do not have police officers, nurses and Department of Agriculture services will not thank the Government for that.

Mr McGowan: Could I raise a point with you?

Mr TRENORDEN: The member loves raising moot points with me.

Mr McGowan: I represent one of the areas that will benefit from the railway line. You will recall that a number of years ago I raised the issue that Northam, Bunbury, Kalgoorlie, Coolgardie and Southern Cross all have rail services, yet a part of the State that has 200 000 or 300 000 people living in it does not. Are you objecting to their having a railway line?

Mr TRENORDEN: I will not go into this too deeply because I have a number of matters to raise. I want people in Rockingham and Mandurah to have a railway, but I do not want the whole world to come to a stop just because of it. That is what the Government is doing. It has carved \$40 million out of the Department of Agriculture's budget so that it can build a railway line.

Mr McRae: No.

Mr TRENORDEN: It has. The member can tell people something different, but that is what the Government has done. Employment figures in the Department of Agriculture have gone from 1 708 to 1 555 people. Government members might not care about the agriculture industry, but it is the second biggest industry in the State. It produces 12 per cent of the State's exports. All those people in Mandurah and Rockingham for whom the Government wants a railway are earning their livelihood as a result of that industry.

Mr McGowan: The same arguments would have been raised when people built the railway line that services your electorate and the electorates of Kalgoorlie and Eyre.

Mr TRENORDEN: There is a difference. At the turn of the century when those railway lines were built, they were absolutely critical for the economic survival of this State. The member cannot say that the railway line to Rockingham and Mandurah is absolutely critical for the economic survival of this State.

Mr Ainsworth: How many tonnes of iron ore, wheat or whatever else will the railway from Mandurah carry? You cannot compare the railway lines.

Mr McRae: The problem with the modern National Party -

Mr TRENORDEN: I am glad the member has called it the modern National Party.

Mr McRae: It has still not come to grips with the fact that intellectual capital is as important as the wealth generated by resources.

Mr Ainsworth: You could do with some on your side of the House.

The ACTING SPEAKER (Mr Dean): Order, members!

Mr TRENORDEN: It would be nice for some of the intellectual capital to be left in the rural areas. I was trying to tell the member that when a scientist was operating in Northam, Katanning or some other country area, working on grain varieties, he was a productive individual. Even though the Government has sacked him, he was a productive individual who was doing important work for Western Australia, and not merely for the agricultural industry.

Mr McRae: The agrarian socialists in my family would turn over in their graves. They would be shaking in horror at your analysis.

Mr TRENORDEN: It has cut the agriculture budget so harshly that core issues - such as skeleton weed, dog control and so on - are no longer being addressed.

Several members interjected.

Mr TRENORDEN: Why are those programs not being maintained? Outbreaks of skeleton weed during the last harvest ranged from one end of the State to the other and caused the same level of concern that was experienced

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20 years ago. The member for Eyre knows what uncontrolled skeleton weed will do to our capacity to earn money from agricultural land. It is a simple fact. If members were to travel around rural Western Australia for a couple of days, they would find out about the real concerns of people in those areas. One farmer in the Mukinbudin area lost 400 sheep to wild dogs. That raises a couple of questions, one of which relates to the husbandry -

Several members interjected.

Mr TRENORDEN: The member for Eyre knows that it is a growing problem. It does not take much to deal with it.

Mr Bowler: Your Government cut those services.

Mr TRENORDEN: If it did, this Government has cut them twice since.

Mr Bowler: No it hasn't.

Mr TRENORDEN: Yes it has. The member cannot argue that this Government has not slashed that funding.

Several members interjected.

Mr TRENORDEN: We must address a broad range of protection issues.

Several members interjected.

Mr TRENORDEN: I am trying to jump a few pages because I have lost 20 minutes to interjections.

Several members interjected.

Mr TRENORDEN: That is true.

The United States of America has just passed its agricultural protection Bill.

Mr McRae: It has not been signed off.

Mr TRENORDEN: It is through the system. Our exporters know what they are facing, and this Government has slashed \$3 million from the Department of Agriculture's promotion budget. It knows what our primary producers are tackling, but it has removed its tools. Members opposite can say whatever they like, but United States protectionism has gone through the roof and the wherewithal to deal with it in Western Australia has been removed. That is plain stupid. The Government has done that in this budget and it should pay the price.

I am very disappointed about the national action plan. The Minister for the Environment knows that I am a member of her fan club. Anyone who comes from Beverley deserves some points. She also deserves points for having parents such as hers. When will we see money pouring back into those areas? Of all people, the minister knows the plight of the people on contracts. When will we see that situation addressed?

Dr Edwards: Soon.

Mr TRENORDEN: That is the same answer we have been getting for four months. The minister should know that some of these people have reached the end of their contracts. If that money does not flow through, we will lose the intellectual property referred to earlier. I can provide the names of people who have gone to the Murray-Darling area, where funds are available. It is critical that those funds flow as soon as possible. The minister will have to explain where the money is during the estimates committee hearings. I love the statement that the money is "parked". It must show up in the budget.

Dr Edwards: I will provide a table during the estimates committee hearings. It is all there.

Mr TRENORDEN: I will ask questions about that. Other people are also talking to the minister about that issue. That money must start flowing. We can find only \$23.5 million in the budget. The last coalition government budget allocated \$40 million to this area. The Treasurer said during the second reading speech that \$40 million would be available.

Mr Ripper: Yes.

Mr TRENORDEN: We cannot find it in the budget papers.

Dr Edwards: We will show you where it is.

Mr TRENORDEN: I will not pick on the minister if it is there, but I cannot find it in the budget papers. The minister does not need to convince me; she needs to convince the many decent country people who are concerned that they do not have a future. She has spent time with them.

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The Department of Mineral and Petroleum Resources is another area of concern. The mining and resources industry contributes more than \$1 billion to the economy of this State. What has the Government done to the department? It has slashed its budget as well. Last year the resources area grew by four per cent. The Government is talking about great outcomes for the State. We know that that growth comes from the mining and resources industry. If it is not provided with funding, it will fail. The Government reduced the resources budget by \$11 million and cut 30 jobs from the department that services the industry. How can it justify that? This Government is unbelievably city-centric and anti-rural, and it will pay the price.

As I said, \$100 million has been slashed from the road program. If we do not keep feeding money into that program, we will experience huge problems.

Mr Bowler interjected.

Mr TRENORDEN: This Government reduced its budget by \$100 million and the federal Government reduced its budget by the same amount.

Mr Bowler interjected.

Mr TRENORDEN: The Court-Cowan Government had a 60 per cent arrangement. It is now between 30 per cent and 40 per cent. The member for Eyre knows better than most that those roads were built in the 1960s and 1970s. They have a 40-year lifespan and their time is up. How will we replace them? The member's electorate pumps a great deal of money into the economy. It is a part of the world I love visiting.

Mr Bowler: I knew there was something good about you.

Mr TRENORDEN: It is not difficult to get there from Northam. How will we sustain those industries if we do not spend money on roads?

Several members interjected.

Mr TRENORDEN: The member for Southern River opened the bypass last weekend. I was pleased to see him there because he has an affinity with the area. He spent some time there in his youth.

Several members interjected.

Mr TRENORDEN: I hope so. He also stood for election in the seat of Avon. He worked hard during the campaign and got to know many people, although he already knew some.

Several members interjected.

Mr TRENORDEN: I understand why he wanted to get out of Southern River and back to the Avon.

Mr Andrews: They are both beautiful places.

Mr TRENORDEN: Yes. I was pleased to see the member there representing the minister.

The ACTING SPEAKER (Mr Dean): Order! The Leader of the National Party is leading the member astray.

Mr TRENORDEN: I take responsibility

Several members interjected.

Mr TRENORDEN: Yes it has. The main street of Northam is livable these days. It was wonderful to walk down the street at 2.00 pm last Friday when the bypass was opened for traffic. It was very noticeable that trucks were not travelling down that street.

Mr Templeman interjected.

Mr TRENORDEN: It is different with air brakes.

Several members interjected.

Mr TRENORDEN: I will return to my speech.

Mr McGowan interjected.

Mr TRENORDEN: The member for Rockingham raised a fair point. It will affect businesses. With most bypasses, there is a fall off in business for about a year and then it starts to climb again. The business that is lost is not picked up instantly. In other words, people gain from the loss of the trucks, but it takes a while for that to filter through and for people to realise that there is an advantage in using the central business district of any community that has been bypassed.

Mr Kucera: Therefore, one can say that the new road is paving the way for the future.

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Mr TRENORDEN: Yes, it is.

Mr Kucera: And it is curbing spending.

Mr TRENORDEN: I thank the Minister for Health for his assistance on the naltrexone -

Mr Kucera: My pleasure.

Mr TRENORDEN: It is an important issue. It was sad to see it end up the way it has. However, the fact is that it is where it is. The people of Northam and I appreciate the minister's activities in that respect.

Mr Kucera: Thank you.

Mr Templeman interjected.

Mr TRENORDEN: I will continue. Of the 69 projects that are meant to be funded for roads, 51 are in the rural areas. In the past two years there has been a total swing away from rural and regional Western Australia to the metropolitan area. That will not go unnoticed. If members opposite think it will go unnoticed, they are deluding themselves.

All these matters about which I have been talking are an attack on wealth creation. The resource is sustainable if the people are sustained. A few weeks ago a government member in this place made a speech on this matter - I will not say who it was. Nevertheless, it is an important point. The people must be valued; they must be sustained. We can argue about education, health and all those sorts of issues, but people must be given hope. In particular, those who are some distance from schools and medical services need to have confidence that the Government of the day will nurture their position. If it does not, youth, in particular, will pour out of the regional areas, irrespective of the financial prospects, because it has been proved time and again that the most important aspect in regional development is not income but lifestyle. There must be a good lifestyle to sustain the population in those areas.

The Government has totally ignored Indian Ocean Drive. I cannot believe it has done that. On the Brand Highway is a mixture of heavy transport and vehicles that are going around the block. If Indian Ocean Drive were completed, most of the cars that leave the metropolitan area would head north out of Perth and travel straight up the coastline. Those members who have bothered to drive along the new, completed section of what will be Indian Ocean Drive know that it follows a magnificent section of coastline. It is a very pleasant drive. When it is finally completed, it will be a substantial asset for Western Australia.

Mr Templeman: That goes from -

Mr TRENORDEN: From Wanneroo almost to Dongara. I have driven along the Great Ocean Road in Victoria. It is a fantastic drive. This one is different, but it is just as stunning in its own right. What it will do for the communities in those areas is beyond description. Places like Jurien Bay, Cervantes and Leeman will blossom if that road is opened up. Why the Government will not do that is -

Mr Templeman interjected.

Mr TRENORDEN: No, that is another issue in that area. I am glad the member for Mandurah raised that, because previous Governments, including the Court-Cowan Government, put a lot of pressure on local government to force people out of those shacks. However, this Government, during its time in office, has backed off on the people on crown land. Therefore, there are a lot of unhappy people up and down that coastline, because those who were in shacks and shanties on areas controlled by local government have been kicked out, but those on crown land have stayed.

Mr Templeman: Where are some of the ones on crown land?

Mr TRENORDEN: Around the Green Head area. These are important matters.

I will spend a few moments on the regional investment fund and its history. The Labor Party came into government making a lot of noise about the \$75 million that would be spent over four years. An amount of \$25 million was to be spent in the first year. What did the Government do in the first year? It pulled \$12.5 million out of that fund. That is why I spoke earlier about the extension of water and power supplies in regional areas. That cannot be done because there is no money in the regional development fund. The Government took out \$12.5 million last year. This year it is putting back \$9.5 million. The Premier today cited this fund as one of the Government's crown jewels. One need only speak to local governments and individuals in those areas to learn that they know that that money has vanished.

Mr Ainsworth interjected.



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Mr TRENORDEN: That is true. Another thing that irritates people in the regional and rural areas is that \$33 million was whipped out of the regional development fund and spent on a tourism promotion aimed at encouraging country people to go to the city; and the Government wonders why people get annoyed with it. They will get more annoyed with it. To cap it all off, on the weekend we heard the brilliant news that the Government will build a 27-hole golf course in Kalgoorlie. I am sure that the Kalgoorlie people will like that, but people who live along the pipeline between Perth and Kalgoorlie are not impressed. My phone has rung hot about that matter.

Mr Bowler: What was that?

Mr TRENORDEN: The golf course. Where will the water come from for the golf course?

Mr Bowler: Maybe if the former Minister for Agriculture had checked, he would have found that not one drop would come from that pipeline. I assume you checked and found that he was wrong.

Mr TRENORDEN: I have not checked.

Mr Bowler: Nor did he.

Mr TRENORDEN: All the people from Mundaring to Kalgoorlie think that it will come out of the pipeline. If the Government does not want to be crucified about that, it should tell them, because I certainly will not. It is not my job to sell that. If it is not coming out of the pipeline, the Government should tell people.

Mr Bowler: So you tell the lies and we must correct them?

Mr TRENORDEN: I do not say anything; I let the Government do that.

Mr Bowler: You don't correct your own member's lies?

Mr TRENORDEN: The member for Eyre is a better member than that. I will ignore that. I will not take a point of order.

Mr McGowan: Wasn't it the former Government of which you were a senior member?

Mr TRENORDEN: Of which I was a senior member? I forgot to pick up my pay cheque then!

Mr McGowan: I looked up to you as a senior member of the former Government.

Mr TRENORDEN: I forgot to pick up the pay cheque, because I thought I was a backbencher.

Mr McGowan: Weren't you the Chairman of the Public Accounts Committee?

Mr Bowler: Wasn't the member for Stirling in that Government?

Mr TRENORDEN: Yes, he was a minister in that Government.

Mr Bowler: Didn't he vote to give \$3 million to that project?

Mr TRENORDEN: I have no idea. The member should ask him.

Mr Bowler: I can assure you he did.

Mr TRENORDEN: The member should ask him.

Mr Watson: Wash my hands!

Mr TRENORDEN: That is the Government's job.

Mr Watson: If you are making accusations and you are wrong, you should get your facts right.

Mr TRENORDEN: How many jobs have been lost from the Department of Agriculture?

Mr Bowler: Hang on. Don't change the subject. Get your facts right.

Mr TRENORDEN: The member for Eyre is a great person to speak.

In the few remaining minutes that I have, I will raise an issue which is non-political but about which I have had a passion for some time. Only yesterday or the day before, it was announced that some Aboriginal people involved in the Melville case have been paid. One of them was Gregory Garlett, whose lineage goes back to places such as Doodlakine, Wandering and Narrogin - nothing to do with Perth. However, he has been paid as a person who has a direct lineage to Perth. That is not true. I believe that Patrick Hume was also paid out in the Melville claim. His family lineage on his mother's and father's side goes back to Wandering and the Blackwood River area. I could talk about a range of people who are making claims and who are not entitled to be paid. This is an issue about which I have been passionate for 10 years. The previous Government would not hear me on it.

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I have spoken to current ministers to get access to some of the genealogy so that the correct people can be paid their claims and the people who have lined up for claims that they are not entitled to are denied payment. It is a simple matter of justice, not a matter about the Aboriginal community. Many people in the community have opposed the publication of this information because they will lose out in that process. However, many people also will win in that process. We should not be concerned about the question of who will win or who will lose. We should be concerned about justice and about making sure that people who are entitled to claims are paid and those not entitled are denied payment. In its own form it is reverse racism, or straight racism. If the Government and we as members of Parliament are not prepared to say that we will do the right thing and pay the people who are entitled to be paid and tell the people who are not entitled to be paid that they are not entitled, we do not deserve to be in this place. Substantial genealogy work has been done for a number of years and it is available. However, some people in the Aboriginal community do not want it published as they will be losers in that process because the information will place their families away from their claims. As I said a few moments ago, if we are not interested in justice, we should not be in this place. There is absolutely no justification for allowing people to claim and receive payment for areas of land to which they are not entitled. It is highly irresponsible to ignore the information that is available - I intended to use a tougher word than irresponsible. We should use the direct knowledge that is available. Not to use it because it does not suit some people in the Aboriginal community is not a good enough argument. On the other side of the ledger, the information will empower as many people as it disempowers. It is just too bad if it will disempower prominent people in the Aboriginal community. If people want to debate the issue in court, they should have justification for their claims. State public funds have been paid on a range of issues to some Aboriginal people who are just not entitled to them.

**MR SWEETMAN** (Ningaloo) [9.33 pm]: I wish to make a small contribution to this budget debate. I am pleased to see that the relevant ministers are in the House. It is a pity that the Minister for Tourism is not in the Chamber because the thrust of my speech will be directed to him. At the outset I will comment on a concept called "Outback Coast". I see the minister-in-waiting, the member for Rockingham, is in the Chamber. He did a very capable job when he was the shadow Minister for Tourism. I think he has undergone some sort of exorcism in the past few months. He, like a lot of Labor Party members, has come to like the convention centre. That is great, considering it was an initiative of the coalition Government. I am sure that will be acknowledged when the Minister for Tourism opens the centre.

Mr McGowan: My only difficulty with the convention centre was that it should have been built in Carnarvon.

Mr SWEETMAN: We do not need it in Carnarvon. We are catered for by the woolshed, the civic centre and other facilities for functions. You, Mr Acting Speaker (Mr Dean), might be aware that this week the National Farmers Federation conference is being held in Carnarvon. Many national delegates are attending that conference, including delegates from the Western Australian Farmers Federation and the Pastoralists and Graziers Association, and many other festivities, including a business expo.

Mr Bradshaw: Some are from the eastern States.

Mr SWEETMAN: I said there were national delegates. Many people therefore from the farming industry are congregating in Carnarvon. I am looking forward to getting back there tomorrow to participate in some of the conference forums.

I want to talk about a concept called "Outback Coast" in order of preparation rather than significance. It is important that the member for Rockingham, because the minister is not in the House, relay to the minister some of the things that I will present to the House about Outback Coast Tourism Inc. Already some people have been significantly hurt as a consequence of the development of this initiative. Outback Coast represents the Gascoyne area. As members know, in tourism the need to brand a region or a product for it to stick in people's minds and to package and develop that product went from being a buzz word to now being accepted as the norm. The Gascoyne tended to conjure up different things to different people. Many international visitors assumed that Gascoyne had something to do with gas. We certainly have a lot of gas off the Exmouth coast in the Exmouth Gulf, but it is not as though people swim out over whale sharks and have to weave in and out of production platforms off the North West Cape. The area was named in the early days after Lord Gascoyne and has, therefore, nothing to do with the fact that we produce a lot of gas. It is an unfortunate name in that people associate many things with the Gascoyne that do not necessarily relate to the name. The name Outback Coast was therefore developed and it ultimately became an incorporated body. The proposal was to have the name Outback Coast Pty Ltd, but that was not acceptable because of the way in which the company had to be structured. It was planned to brand the region as Outback Coast so that we could promote product in the State nationally and internationally as being significant in world terms; certainly many areas are significant. There is the world heritage area of Shark Bay, the marine park and the internationally significant North West Cape with the fringing Ningaloo Reef.

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We were fortunate to have the services of Daryl Buckingham, who was appointed executive officer of the Gascoyne Tourism Association. He came from running a successful business somewhere in the Blue Mountains in New South Wales with many fresh ideas for which a lot of local bureaus, shires and businesspeople immediately had some natural affection. He identified that the Gascoyne area had lagged behind in its development and said that there was a great deal of unrealised potential there. The longer he was in the job, the more reasons he came up with for the Gascoyne region having languished as a tourist destination. We have seen the Kimberley, the Pilbara and the south west areas develop at a faster rate than has the Gascoyne area. Even the area from Shark Bay to Geraldton has grown in significance and popularity far quicker than have many areas in my electorate. Daryl Buckingham, with the assistance of many other people, therefore masterminded the Outback Coast concept and drew on experiences that had been tried and worked in other areas, particularly on the east coast of Australia. He put together a marketing plan and a business plan as a prospectus and then formally presented that to the local community. The shires, after conducting exhaustive and rigorous due diligence, decided that the plan deserved closer examination. All the shires obtained legal advice, either collectively or individually, on the integrity of the document and whether the concept was feasible. They not only got a legal opinion on the document but also a professional business opinion about whether the concept had a chance of working. That was done in an environment in which the shires had prior knowledge that their grants from the Western Australian Tourism Commission would be phased out over five years. There are only three years to go. That is an initiative that started under the previous Government. It was a Partnership 21 concept in which local businesses and the shires within a region would become responsible for marketing and promoting tourism and would leave the WA Tourism Commission to do things that were more fitting and appropriate to its charter. The shires already contribute a significant amount per year to regional tourism anyway, matching the grant from the WATC, to ensure that the funding for regional tourism associations and the local visitor bureaus is topped up so that they have enough to operate. Faced with the inevitable scenario that there would be no funding from the State to develop regional tourism, the shires knew that they had to do something about trying to develop funds from other areas and from other initiatives. At the time Outback Coast Tourism Inc came along, it certainly looked attractive to those shires, and, for the record, it still does. Every one of the shires that has contributed to Outback Coast is locked into the concept and still believes that it will work if given half a chance. In the business plan, it looked like this concept could be cash-flow positive within 36 months.

All this was prepared before 11 September, so everything looked rosy at the time this concept was launched. It is unfortunate that the concept of Outback Coast was going to include the shires as an entity, but it would be a joint venture arrangement with private operators. As executive officer of the Gascoyne Tourism Association, Mr Buckingham was being paid handsomely, primarily by the WATC. Grant Goodall and Richard Muirhead had a real problem with some perceived conflict of interest in Mr Buckingham's discharging his obligations under his job description if he was also to do work promoting Outback Coast Tourism Inc. The shires and the development commission got legal advice from Minter Ellison about that and they were told that there was no conflict of interest; it was within the responsibilities of that job and there should not be a problem. However, the WATC convinced the minister that there was a conflict of interest. As I understand it, there was intervention whereby the minister directed the WATC to ensure that this person's contract was terminated. He could not function in those two jobs. He had to concentrate on his job with the Gascoyne Tourism Association or work with Outback Coast Tourism Inc. By this time he was so committed to the concept of Outback Coast that he left his position as executive officer with the Gascoyne Tourism Association. Then he tried to set up the shopfronts on the east coast, which were an integral part of the Outback Coast concept, to hook into the wholesale, retail and inbound distribution channels. Three shops were supposed to be established on the east coast within the first 24 months - in Sydney, Cairns and, I think, Townsville, but I could be wrong. Today, there is only one shopfront. There have been delays as a consequence of the calamitous events of last September. However, there have also been delays because a whole lot of things have been thrown up to impede the progress of Outback Coast Tourism Inc. It has not helped that the concept has created controversy, not so much in the region, because Greenough, Geraldton and Shark Bay do not have a problem, and generally neither does Exmouth. However, people in Carnarvon have gone feral about the concept of Outback Coast. They never liked it from day one and they have stuck to their guns. Regrettably, some of them are significant people. Kevin Leahy is a significant person within the community of Carnarvon. He has been chairman of the tourism bureau for a long time. He has very definite views on tourism. He is now a board member of the Gascoyne Development Commission as well.

Mr McGowan: What is their objection?

Mr SWEETMAN: They just think the concept stinks. They think it is a scam. They think that Daryl Buckingham is a crook and that he scarpered with the money. Nothing could be further from the truth. He is an extremely genuine person. He has not scarpered with the money, contrary to what a lot of people in the

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community are saying. There was an article in the newspaper the other day, and I will not flatter the person who wrote it by quoting any of it in the Parliament. However, what she said was basically slanderous. She implied that this person had conned the shires out of \$500 000 and had run to the east coast and was living the life of Riley over there. Mr Buckingham is so committed to this project that every moment of his time is spent trying to implement the strategies within the business plan and the marketing plan, while at the same time he is not deriving an income. He is deriving a little income from commissions already, but it is not enough to live on. When I say that he spends every moment of his time on this, it is not quite every moment of his time because he works weekends in a bar trying to earn enough to live on. That is not an ideal environment for someone who has masterminded a scheme that is quite extraordinary; it is visionary and ahead of its time, certainly in Western Australia. This person is trying to eke out an existence by working part time in a bar on weekends to implement something that we believe will be cash-flow positive for the shires in our region within the next 36 to 48 months.

Perhaps members can ask Hon Tom Stephens why he had a problem with Mr Buckingham still drawing a wage as the executive officer of the Gascoyne Tourism Association and doing work with Outback Coast, because it worked hand in glove. They could also ask him why he had a problem with the Gascoyne Development Commission providing some money. In fact, it wanted to provide \$100 000, of which it intended to get back \$50 000 through the regional investment fund. My understanding is that ultimately that led to the sacking of the chief executive officer of the development commission. I have spoken to her and she is unequivocal. She got a telephone call from Hon Tom Stephens basically dismissing her. She was told that her contract would not be renewed and her services were no longer required. It all related to Outback Coast Tourism Inc. That is why I said at the outset that people have already been hurt in this. It is important that ministers take time to work out what Outback Coast represents. They need to get away from the jaundiced views of people such as the previous member for Northern Rivers, Kevin Leahy, and others in that community, because there is a good story to be told about Outback Coast. It is the responsibility of the Government to understand everything that is involved in it. Members could also ask Hon Tom Stephens whether he had a problem with the Gascoyne Development Commission's contributing any money to this new entity, which involved the shires as an incorporated body, Venture Travel and Outback to Coast Leisure Ltd, which was Mr Buckingham's company. The three companies were to work as an entity and share the proceeds on a 20-40-40 basis; in other words, Venture Travel would have taken a percentage of it, as would Mr Buckingham's company and the shires. They would have received 40 per cent of all the commission derived from sales. Members could ask Hon Tom Stephens whether he had a problem with the GDC allocating money from its discretionary fund to this project because it deemed it to be a private entity. He need look only at the records of development commissions. He cannot just wave it by and say that it goes back to coalition days. The Government has had a fair time in office now. It has given money to private organisations as loans converting to grants or just straight-out grants. It is not far-fetched to say that it was within the discretion of the CEO of the development commission and the board to contribute some money to an entity that involved private enterprise and an incorporated body representing the shires. If that were not enough under existing powers, the Regional Investment Fund Bill has been introduced to provide for the Government to take an equity or shares in an entity.

Mr Ripper: Although the Regional Investment Fund Bill came into this Parliament it has not yet gone out of it. Your colleagues in the upper House need to get on with dealing with legislation.

Mr Bradshaw interjected.

Mr SWEETMAN: That is not rubbish legislation. I would like that to be passed.

Mr Bradshaw: I am referring to other Bills.

Mr Kucera: I hardly think the DNA Bill is rubbish legislation.

Mr Bradshaw: I am referring to the gay and lesbian law reform as rubbish.

Mr SWEETMAN: The rubbish debated before it was called electoral reform. If that was the Government's priority, perhaps it should have dealt with the Regional Investment Fund Bill first. They are questions that I know the member for Rockingham, a minister in waiting, will ask the minister on my behalf. Even if the RIF Bill is not passed, it is clear from its intent that this Government will not have a problem with partnerships. We are talking about partnerships by which the Government will sanction development commissions giving grants to private organisations. Outback Coast is not totally private; it is a merged entity that needed to be established to ensure that shires had a sustainable revenue stream. The coalition Government set the program in train, and this Government decided to sustain it although the shire's money will be discontinued in three years.

Mr McGowan: I thought most of the money was discontinued already.

Mr SWEETMAN: It is being phased out over five years.

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Mr McGowan interjected.

Mr SWEETMAN: The grant is fairly significant.

Mr McGowan: To your electorate?

Mr SWEETMAN: My electorate is the poor relation; the Kimberley got all the money. The Gascoyne received \$50 000 for crisis funds and it did not go unnoticed that the Kimberley received \$200 000.

Questions must be asked about how the Western Australian Tourism Commission is being run. I do not want to rail against public servants. However, there is a *prima facie* case that it has misused its powers. It has a snout on the Gascoyne region. I think part of the problem is the personalities involved, and part of it is the WA Tourism Commission's wanting to back winners. The people who run the Tourism Commission are keen to trot off to areas in the Kimberley and hitch up to some of the very successful programs being implemented in places like that. Good luck to them. I thought that the WA Tourism Commission was in place to fairly and evenly deal with the regions. It is worth considering whether the peak tourism body in Western Australia can help drag the Gascoyne, which is now being called the outback coast, out of the doldrums and take it to the next level to make it a more marketable place and preferred destination - it is the top of my list of destinations in tourism parlance - for all travellers, domestic and international.

I have spoken to Daryl Buckingham once since he left Carnarvon about four weeks ago over a local conflict about Outback Coast.

Mr McGowan: Where is he now?

Mr SWEETMAN: He is in Sydney. The only shopfront as we speak today is Woollahra Travel, which indicates on its sign that it is an office for Outback Coast. I think the first of the offices will be open in about five weeks when they go on line. The web site is almost ready. Contrary to what some people have said about Mr Buckingham grabbing the shire's \$500 000 and running, he has not done that. He has been living off his own resources - a small amount from commission - and he has been working part time to supplement his income. After almost 18 or 19 months of Outback Coast Inc, only \$10 000 of the shire's money has been drawn down. No-one is unhappy with Mr Buckingham's performance. The shires have been asking me to talk to the minister. We have been speaking to Mr Muirhead and Mr Goodall at the Tourism Commission. When we reach a point at which we think they understand our view, we leave. However, we find later that we got nowhere because we hear a lot of information that suggests that the Government, the minister and the WATC hate outback coast as a concept. They are more anxious about how the Government - the powers that be so to speak - views the concept of outback coast, when it does not look at the prospectus or consider the likelihood of the ultimate success of the outback coast. The people involved know it will be difficult. They know it is visionary and they know that this type of concept has not been tried before in Western Australia. They have been advised that our low population base makes it that much harder. However, they have been prepared to embrace this concept in the very real hope that they will make money for reinvestment in tourism and further grow the development of destinations within the outback coast region.

The Government should be aware that not only one or two operators are involved. I would not intercede on behalf of Mr Buckingham, who is a genuine fellow. He is very much like Shane Crocker; someone who we could argue was ahead of his time.

Mr McGowan: His name is Crockett.

Mr SWEETMAN: Yes, I am sorry. Messrs Crockett and Buckingham are interesting, flamboyant people who are visionaries in their industry. That is what tourism is about. The shakers and movers need to be involved to put on the table, on occasions, fairly outlandish proposals for people to consider. Where would we be without those people? We cannot afford to have tourism people who look sideways and backwards. People like Daryl Buckingham and Shane Crockett understand tourism. I put on the record in this House now that I fear that the WA Tourism Commission does not quite understand the complexity of the tourism business today and the demands of the various market segments. It is a very demanding industry. In Western Australia we have problems because product is coming on line at a faster rate than tourism is growing. That is a real concern and that is why visitor numbers fluctuate radically in the various areas of the State. If product is coming on line that quickly, we must offer something special. We cannot rest on our laurels, as the people in Exmouth learnt the hard way. Most operators there now understand the tourism business better. They suffered drastic declines in visitor numbers because they took their visitors for granted. Before we knew it, throughout the length and breadth of Western Australia, people were being told not to go to Exmouth because it was expensive and the people there were unfriendly. As the local member, it was a shock to hear that repeatedly wherever I travelled.

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Mr Hyde: Is that not more a fault in private enterprise than because of government intervention? Surely the backpackers are an important component, and that segment of the industry is very sensitive to private enterprise and fluctuations.

Mr SWEETMAN: It is. However, the WA Tourism Commission must be ahead of the play. The people in that organisation should be able to offer some direction and to nurture the industry for which they are responsible. Many tourism businesses are working feverishly to eke out a living from tourism. They often do not get a chance to review what they are doing. That is why it is important that the network, through the commission, the regions and the local visitor bureaus, work to ensure that businesses can anticipate the next move in their business because it is critical to their viability.

Mr McGowan: Have you spoken to the minister about it?

Mr SWEETMAN: No, I have not been able to at this stage. This came to a head only two to three weeks ago. Since the sacking of the chief executive officer of the Gascoyne Development Commission, a lot of things have unravelled in my local community of Carnarvon. I am fearful that the reverberation from Carnarvon will destabilise people's commitment to Outback Coast Inc. That will make it so much harder for this entity to succeed. A whole lot of things have happened locally. I undertook that I would speak to the minister as early as I could, but I have not been able to as yet. I thought I would get that opportunity tonight.

I now move on to cover a far less controversial issue, and that is the Mauds Landing development.

Mr Hyde: Will you give us the Liberal Party's position on this?

Mr SWEETMAN: No; I will provide the local member's position on Mauds Landing. It is a position that has not changed a lot since 1987. I recall when I was in local government in 1987 the three proponents - Ken Ryan, Richard Hay and Allan Smith - briefed council on the concept that they had in mind for the old Mauds Landing. I do not think it ever was a town site; it was gazetted as a port or something.

Mr Bradshaw: I think it used to be a whaling station.

Mr SWEETMAN: Perhaps a whaling station. Point Cloates was a whaling station. Mauds Landing was gazetted as something and it was seen by these proponents as being the preferred location. If members have ever been up there, they will know that it is a fairly unattractive land form. It is what we call up our way birradah country, which is just marsh and a little bit of saltbush. To say the least, it is very ordinary. We allowed the proponents to address us at council in 1987 and we enthused with them over their concept and this very grand plan. We took the view that it would disappear, like a lot of other proposals that come before local government, but to their credit they stuck with it. Over the next three or four years we saw quite a bit from the company that ultimately became CCMD, Coral Coast Marina Development Pty Ltd. A project on the scale originally envisaged would have attracted some controversy and criticism from conservationists. The project we are talking about today is considerably smaller than the project that Hon Cheryl Edwardes knocked back with her ministerial powers in April or May 1997. It has taken that long for us to get back to the same position in which the then Minister for the Environment found herself. I am concerned that it will be another Minister Edwardes who will make a decision similar to the previous Minister Edwardes on the Mauds Landing development.

Mr Kucera: But this minister may have a bit more courage.

Mr SWEETMAN: I was not going to bring courage into it. I hope the minister will take a very practical and pragmatic view of the Coral Coast Marina Development concept. If this project goes ahead, it is so important that while everything to date has been left to the developers - they have to provide the whole lot, even down to hospital services, schools and other infrastructure - the Government should consider sharing some of that infrastructure cost just to make this project slightly more bankable in the event that an equity partner is required. Mauds Landing has the potential to save Ningaloo Reef rather than destroy it. I am really anxious about what is going on at Coral Bay, as are most fair-minded people. At the moment it is an interesting marriage between the conservationists and those leading the charge against the resort on ecological grounds. They have found very willing helpers among a lot of local businesses in Coral Bay and Exmouth. That has more to do with the preservation of life as they know it - their businesses and their profitability - than with the environment and conservation of the ecology in that area. If the conservationists win their argument and block Mauds Landing, some of the businesses in Exmouth and Coral Bay do not know what they are in for. They will be the next group in the firing line. They will feel the ravages of the conservation movement, which by then will have a full head of steam, having been able to get the Government of the day to veto the Mauds Landing development. It will feel that it is in a very powerful position. If this Government takes a set against Mauds Landing on environmental grounds, it must acknowledge that Coral Bay is an environmental catastrophe. Only some of that problem will be solved by putting in a water scheme and an effluent disposal scheme and things like that. Whatever commitments have been made in the past 30-odd years for the development of available land in the

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area, once normalisation occurs at Coral Bay a lot of the leased land and the subleased land will convert to freehold. There is only a small amount of freehold land at Coral Bay at the moment. Once that happens we will find it very difficult to control the next development phase at Coral Bay. At peak times of the year there are 3 500 people at Coral Bay, visitors included, and it is possible that that number will swell to 5 000 or 6 000 if stringent development controls are not put in place.

Mr Hyde: There are two separate issues. We have to sort out Coral Bay regardless of Mauds Landing. What about the environmental reasons your Minister Edwardes used to knocked it back originally - the turtles on the beach and everything else where this marina was going to be located? The same environmental concerns will be there for our Minister Edwards to consider.

Mr SWEETMAN: The Government should have some confidence in the ability of the Environmental Protection Authority and the Department of Environmental Protection, and confidence in the scientific research that has been done. My understanding is that our minister of the day in 1997 knocked back this project because of its scale. There were to be 900 residential lots. The proposal is back in a revised form and it is much smaller. All those issues in relation to the sharks, the manta rays and the turtles -

Mr Hyde: The dugongs.

Mr SWEETMAN: To a lesser extent, the dugongs. It is not as if they are swarming over the place. The most significant pod of dugongs in the world is in the eastern gulf of Shark Bay.

Mr Hyde: This whole sustainability issue, and whether 10 boats a day come through a channel or 500 -

Mr SWEETMAN: For a start it keeps the boats away from Coral Bay. I have been advocating since the mid-1980s that we should have all the boats out of Coral Bay anyway.

Mr Hyde: We can do that without Mauds Landing.

Mr SWEETMAN: We certainly can, but Mauds Landing gives us an option. It gives us a marina, an alternative for those boats. It is an artificial marine environment. There should not be any problems putting large numbers of boats in a marina where they are not bobbing out over the coral.

Mr Omodei: It is an onshore marina.

Mr SWEETMAN: Yes. They are cutting the marina inland from the shore for approximately 750 metres, which will form a large basin in which to grow coral.

Man-made structures are not the fundamental and contagious evil that people think they are in relation to the environment. I refer to some of the press the Sea Life Festival managed to get when it was held in Exmouth recently. At the opening of that event on Sunday night, 28 April, it was interesting to hear the internationally significant photographers and film makers give their first impressions of the marine environment at Coral Bay, the Ningaloo Reef and the Exmouth Gulf region. It was fascinating. It was interesting to hear these international people doing a critique of the local environment. I think it was David Doubilet who in his address on the Sunday evening said that he had had the privilege of diving at the navy pier. He ranked the fish habitat around the navy pier as significant as anywhere else in the world and certainly among the top 10 fish habitats in the world. It was interesting that a little over a week later pictures appeared in *The West Australian* of Mr Leandro Blanco showing his wild enthusiasm about what he saw in the Exmouth area and some of the footage he was able to shoot at the navy pier. The accompanying article states -

“Every photographer and videographer’s dream is happening down there,” Mr Blanco said. “If you’re there at the right time as the sunlight plays along the pier structure it’s magical. It plays with the silver skin of the fish and bounces into the camera.

“It’s outstanding, it’s inspirational - they should build a whole lot more piers in this place.”

That is very interesting. These people are vigorous in their defence of the environment. They find these fish habitats remarkable. We do not take them for granted, but we see many of them and are more familiar with the extraordinary sights to be enjoyed from Shark Bay to North West Cape, along the Ningaloo Reef and in the Coral Bay area.

Several members interjected.

Mr SWEETMAN: Sometimes man is not the problem to the environment that he is made out to be. I acknowledge that often man is a problem, but we must keep in mind simple structures such as the pier. What chance would we have of building such a structure in that location today? We would never get environmental approval. It is almost a wonder of the world and it is regarded as one of the best fish habitats in the world.

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Several members interjected.

Mr SWEETMAN: They would not bother visiting the Busselton jetty.

Several members interjected.

Mr SWEETMAN: I do not know. I wonder whether I should continue dealing with the Maud's Landing development. I am enthusiastic about it. It is controversial and it is an icon issue that could drag down any Government in the opinion of the broader community. It is more likely to save Ningaloo Reef than to destroy it.

I am sure that the Department of Conservation and Land Management has told the minister about the extensive indiscriminate camping occurring along the west coast, all the way from the blowhole at the southern end of Quobba to Yardie Creek. Up to 600 people camp in the area at any one time. Little is made of the impact of that camping on both the marine and terrestrial environments. People camp in those areas for long periods. There is no effluent disposal along the coast, so they are causing a problem for either the marine or the terrestrial environment. A great deal of rubbish is buried in the area. People staying there for long periods do not remove their rubbish, so the area must be policed. Only 25 years ago we thought we were doing a great job by burying our rubbish when we went camping. However, education has alerted us to the fact that it takes a long time for plastics and so on to rot away. We now know that it is better to take our rubbish home. Those problems must be considered. The demand for access to that area will only intensify.

Mr Omodei: How many people use that area during the year?

Mr SWEETMAN: During the peak holiday period in July, there are 500 or 600 people camping along the west coast from Wurrup to Yardie Creek. That is a significant number of people. I have flown over the area on several occasions and seen people everywhere. It is impossible for rangers to police the area and to keep up with the movement of campers. That must be taken into account in any ministerial decision about the project.

I will touch on one last issue that is very dear to my heart. I refer to education in regional Western Australia. My electorate is not much different from many other electorates. The Minister for Education is not here to listen to me comment on a letter he sent me that gave short shrift to a problem I presented to him on behalf of Carnarvon Senior High School. The school has classes up to year 12, but the tertiary entrance examination course is offered only as an option. Four or five years ago, the school had a mix of vocational education and training and TEE subjects. It is extremely sad that the quality of education and the learning environment is so affected that it is very difficult to run a TEE program. The area is having problems recruiting qualified and competent staff to teach the various units involved in a TEE program.

I made the point in my letter to the minister that Carnarvon's primary schools have 100 to 115 students graduating from year 7 each year. That takes into account students from the two government schools, St Mary Star of the Sea Catholic School and the Carnarvon Christian Parent Control School. Five years later, only about 18 students graduate from year 12. I acknowledged that some children - but not many - do drift out of school and into the workplace from year 10 onwards. Most board at schools in Perth and some board in Geraldton. That is a real problem. By the time our children get to year 6 or 7, they expect to go away to complete their education. That is unfortunate because, once they go away, they are less likely to come back. There is probably some truth in the saying that it is hard to attract a child back to the farm once he has seen Paris. I am not sure that Perth is like Paris, but young people's priorities change as a result of studying in Perth. Carnarvon is the poorer as a result of that exodus. We are robbed of our young. We do not have a natural demography in our community, and any community facing that situation hurts as a consequence.

Between 120 and 125 of our local children are at boarding school. The average annual cost of boarding is \$20 000. That is paid out of net income, not gross income - sending children to boarding school is not tax deductible. Therefore, our community is between \$2 million and \$2.2 million worse off. That might be discretionary income, but it is lost from our community.

Of course, I want to see St Mary Star of the Sea Catholic School running a year 11 program. Unfortunately, I was not able to convince the minister it was a worthwhile program. He has been convinced by the local school and the district superintendent that parents are not in favour of a merged program and shared resources between St Mary Star of the Sea Catholic School and Carnarvon Senior High School. I hope I can prevail upon the minister to accommodate my wishes in that regard.

**MR OMODEI** (Warren-Blackwood) [10.29 pm]: I am pleased to see so many members of the Labor Party in the Chamber. I am sure they have been waiting for this speech all night.

Several members interjected.



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Mr OMODEI: They have been sitting on the edge of their seats. I am sure they will be enlightened.

At this stage of the debate last year, I said that the budget was the best example of a smoke and mirrors budget that I had ever seen. I compliment the Government - it is continuing the trend. Yet again, we have a smoke and mirrors budget that counts funds again and again.

Interestingly, not one Labor backbencher made a speech in response to the Treasurer's second reading speech. I am sure that all those members must be very happy with what is happening in their electorates. It will be interesting to see whether the reaction will be the same in the estimates committee hearings. In those hearings last year, I was rather disappointed that Her Majesty's Opposition did not have the same opportunity that it had had in previous years to scrutinise the Government's budget. In other words, the Opposition was able to ask a series of questions about the budget, and the estimates committee debate was structured in such a way that alternate questions were asked of the minister, and there were responses from the bureaucrats. Last year's process did not enhance the scrutiny of the budget in any way. Therefore, I will be interested to see whether that format will be changed this year. If it is the case that members of the Labor Party just filibuster and take up time with prepared questions of ministers, this budget will not get the scrutiny it deserves. The people of Western Australia are demanding that the budget be scrutinised in a thorough fashion. To that extent, prepared questions from members of the Government do not help the process. However, I will talk about that again in the future.

The surplus in the budget is to be commended. However, taking into account the way in which the surplus was arrived at and the accumulated debt over the past 12 months, it is a poor budget. I will take members back a decade to 1992 when the State's debt was \$8.357 billion. It rose to \$8.4 billion in 1992-93, and to \$8.7 billion in 1993-94, which is roughly when the coalition Government came to power. At that time, the net public sector worth of the State was \$15.49 billion. The net worth of the State rose over the next seven or eight years. In 2001-02, the net state worth was \$33 000 521 700. The maximum debt under the Labor Government was \$8.7 billion, but debt decreased progressively to a level of \$4.412 billion in 2000-01.

The arguments proffered by the Labor Government time and again have been that the debt decreased because of the sale of public assets. To some extent that is true. The previous coalition Government presided over the sale of BankWest, the gas pipeline, AlintaGas and Westrail. Those members who are students of debt and assets, particularly of Westrail, will realise that Westrail was going further into debt, and with competition being introduced into the national rail system, the capacity of Westrail to continue to make profits on its freight would have been seriously inhibited.

When the coalition came to power, the State's credit rating was lost, and it was regained over the coalition's period in government. If we take into account that no assets were sold, the State's debt at the end of the coalition's term in 2001 would have been roughly \$8.5 billion to \$9 billion. If the situation is analysed and credit is given where it is due, that means that net state debt did not increase in any significant way over an eight-year period. There are a number of commentators on the State's performance, the way the State is run, its net worth and so on. In my judgment - I am only a person from the bush - if net state debt was kept at around \$8.5 billion to \$9 billion over an eight-year period, that was an outstanding achievement by the previous Government, by any measure; yet it has never been acknowledged by the Press or the political or financial commentators in this State. I find it somewhat galling that that has never been acknowledged.

There were times in the previous coalition Government's budgeting periods in which deficits were brought forward in the operating budget. They were small deficits in the context of the overall expenditure of up to \$10 billion in the budget. I look at the bottom line as being the Government's net debt. The Government can balance the budget, and have an operating surplus or a slight loss. However, if net debt is increasing, the Government is in financial difficulty. That will leave a legacy to future generations that will be difficult for them to handle.

There was a period under the previous coalition Government when net state worth rose significantly from \$15 billion to over \$30 billion. Net worth doubled; net state debt was halved. By any measure, that is a wonderful achievement by any State Government. If that occurred in the future, I would applaud that. However, the projections are that in 2001-02, net state worth will be \$33 000 521 000, and net state debt will be \$5.3 billion. The net state worth will increase over the next four years to \$35 billion in 2004-05 - an increase of only a couple of billion dollars on the previous Government's performance. However, the net state debt will increase to \$6 000 048 000. That is a matter of real concern. That is why the financial analysts are concerned about the State's AAA credit rating and where debt in Western Australia is heading. If that is taken to its logical conclusion, we can expect that in the next seven or eight years, if the Government does not pull back from the direction in which the State is heading, that net state debt will increase significantly over the next two terms of government, whether it be a Labor or a Liberal Government. Therefore, I am urging restraint.

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The question asked today has been which projects the Opposition would cut out of the budget. It is not a question of which projects would be cut out of it. The suit must be cut according to the cloth, as the saying goes. I believe that the southern corridor railway line is before its time. I travel along that freeway on a regular basis. I do well over 100 000 kilometres a year. I have been doing that for more than 13 years. When I come up that freeway, if I time it wrong and get caught in the peak-hour traffic, I find myself watching the buses go past at around 110 kilometres an hour. The member for Stirling raised the issue earlier today - we had been discussing it - that a properly equipped and financed bus system would be able to take people from any area onto the freeway system, either north or south, and into the city in a quick fashion. The majority of the people who will travel into the city along the railway line will come from Mandurah or Rockingham, or maybe from Cockburn as it develops. The previous proposed alignment through the Kenwick area would have serviced many more people.

From my perspective as a country member, the important thing is that \$1.4 billion will be spent on a railway line, when a southern freeway, which has all the overpasses and which moves the traffic very quickly, has just been completed. It would have been more sensible if the Peel deviation had been built, at a cost of about \$130 million, which would have taken the traffic past Mandurah, and allowed a lot of the freight that comes from the south west to move quickly into the city, thereby avoiding its going through the centre of Mandurah and those eight sets of lights that cut the traffic flow. There are speed limits in the Mandurah built-up area, such as in Falcon, that reduce to 70 kilometres, 80 kilometres and 90 kilometres an hour. The traffic moves very quickly and on wet days it is hazardous and dangerous.

That brings me further down the track. My preferred option is to continue the extension of the southern freeway system, bypassing Mandurah and allowing people to move very quickly in Mandurah. In that way there would be no need to build two lanes on the approach to the bridge over the estuary, which would be a major expenditure and at some time in the future would require the building of another lane on the bridge; whereas the Peel deviation would bring people straight up the eastern side of the estuary and allow the traffic to move very quickly.

Members may not be aware that articulated trucks are not allowed onto the end of the freeway. The only way that articulated trucks, B-trains and so on can get onto the freeway is from Thomas Road onwards. I mentioned the disruption to traffic in Mandurah. What happens to the traffic and freight that go to Fremantle? Members should bear in mind that a large amount of freight comes from the south west region, from the agricultural industry, the mining industry, the timber industry and so on. That traffic goes through 10 to 15 sets of lights in small places such as Coogee. It does not make any sense environmentally for B-double road trains to go through Coogee, because they cause disruptions to traffic by having to slow down at red lights and then having to take off slowly when the lights change. It also does not make sense from the point of view of moving the traffic and moving the freight. Conversely, if those trucks were allowed to come onto the end of the freeway - a little work might have to be done on the roundabouts at the southern end of the freeway - they could come straight up the Mandurah Road onto the freeway as far as Leach Highway and go straight down into Fremantle, going through probably a quarter as many lights, which would allow the traffic to move very quickly and smoothly. A huge number of heavy trucks and traffic currently go through Coogee, South Fremantle and Rockingham to the port. Those trucks go smack bang through the middle of Mandurah when that traffic could be diverted onto freeways at a minimal cost; probably less than 10 per cent of the cost of a southern rail corridor. I do not say that there should not be a rail system there in the future. I do not profess to be a scientist or an expert in this area, but I believe the railway line is about 10 years ahead of its time. It has the capacity to break the State and it certainly has the capacity to lose the State Government's AAA credit rating, which would be a great shame. Those funds could be spent on roads in rural WA.

I looked at the last budget for the Warren-Blackwood district and further north during the coalition's time in government; it was about \$22 million. The leaflet we received from this Government called *Budget 2002-03: Investing in our Future* states -

Included in your region:

NEW WORKS

Western Power Corporation -

Bridgetown underground power project - \$289,000 in 2002-03 (total cost (\$289,000).

That is a very good project of underground power for Bridgetown, which is a beautiful town that attracts many tourists and many professional people to the lifestyle there. The second project under "New Works" states -

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Recreation Camps and Reserves Board -

Tone River Cottages restoration - \$33,570 in 2002-03.

For members who are unaware, Tone River is an old timber town just off Muirs Highway that is very well frequented by young people and people using the recreation camp.

Mr Masters: Just east of Manjimup.

Mr OMODEI: That is right. Guess what? That is the whole extent of the projects for the Warren-Blackwood region - \$289 000 for underground power in Bridgetown and \$33 570 for the recreation camps. Under "Works in Progress", the leaflet states -

Conservation and Land Management -

National Parks infrastructure - \$3.1m in 2002-03 (total cost \$9.7 m . . .

So far \$2 million has been spent and there is \$3.1 million in the 2002-03 budget. Having a copy of last year's budget papers, I tried to compare the line items and figures between the two budgets. I have been a member of this place for 13 years, but I found it very difficult to follow. That may be a reflection on my abilities as an accountant. However, I found it very difficult to compare the costs. I then looked at the health budget for works in progress, which include an upgrade of the Margaret River Hospital. Margaret River is growing fairly quickly and there is a demand to expand the hospital there. The 2002-03 budget has an allocation of \$500 000, which was also in last year's budget, and \$220 000 was allocated in last year's budget out of that \$500 000 but only \$100 000 was spent. I then began to understand how this year's budget came to be in surplus. It is very simple: the Government defers and defers until it finally gets to the end of the financial year with a surplus budget.

Last year's Main Roads budget of \$400 000 for Mowen Road is again in this year's budget. The total cost of that project is \$12 million, of which so far a total of \$1.6 million has been spent. At that rate it will take 25 years to complete Mowen Road. That is not in line with the expectations of the community. Then the leaflet states that there will be a reconstruction of "Muir's Road" - that should be Muir's Highway - at a total cost of \$13.2 million. That is for only part of Muir's Highway. Some work towards Mt Barker has been done. Three surveys of Muir's Highway have occurred; certainly it has not been under-surveyed. Delegations have gone to the Minister for Planning and Infrastructure about this road. It is the east-west route from the lower south west on which all the freight providers cart their woodchips, grain, cattle and sheep from industries in the south west. Also on that road going east are school buses, export traffic, major trucks, B-double road trains and, further out, C-road trains going east. The estimated expenditure to date is \$550 000 and this year's budget has a grand total of \$100 000.

I ask, on what would Main Roads spend \$100 000? It has surveyed the road at least three times that I am aware of, particularly the Nyamup to Strachan area. Delegations have gone to ministers in the past 10 years about this project. The previous Government therefore has nothing to crow about as far as Muir's Highway is concerned; it is an absolute deathtrap. The road surface would be under seven metres in width. In winter time there are huge areas of inundation, with B-road trains meeting school buses on wet verges. I am sure that you, Mr Speaker, would be aware of the dangers of such a situation; likewise with Mowen Road.

In the training budget under "Works in Progress" are new buildings and additions at the Margaret River technical and further education campus. In last year's budget there was an allocation of \$1.7 million, with a total cost of \$5 million. Estimated total expenditure to date is \$160 000. Members will see again that at that rate it is a very important project! It is for the Centre for Wine Excellence funded partly by TAFE, partly by the Department of Training, partly by Edith Cowan University and partly by Curtin University of Technology. I am sure others will put some money in there. It will be a world-standard Centre for Wine Excellence. I mentioned it briefly the other day in this place when I acknowledged the efforts of people from the high school, Ray Harwood, Brian Middleton from the parents and citizens association, and all the people who have been behind this project for many years. That money will be well received, and it will be spent. This is a tick for the Government in the budget. The Minister for Training launched the Centre for Wine Excellence. It was an excellent event by any measure. It is of state importance and is something that everybody can be proud of. Other buildings that relate to the high school need to be built in tandem with the Centre for Wine Excellence. The buildings are used by both the high school and the centre. It is my intention, along with the member for the South West Region, Hon Barry House, to meet with the Department of Education. We hoped that there would be some planning funds for those buildings in this year's budget, but we cannot find that money. I was requested by Ray Harwood, who the minister would have met and who is currently ill, to pursue that issue. He has had some problems with his health and is on leave. The whole concept will not work unless those buildings are built in tandem with the Centre for

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Wine Excellence. I am confident that the funding will materialise for those buildings. I want the minister to take up with the Minister for Education - I certainly will raise it with him and his bureaucrats - the need for proper funds for those buildings.

The combined works in progress for the Water Corporation total about \$1.2 million. The total cost will be \$28.3 million. I presume these are works for water supplies and infill sewerage. Again, there is no money in the budget for infill sewerage. It is a great shame that a very good program has been taken out of the budget by the Labor Government. In the past eight years we have spent more than \$800 million on infill sewerage. It has had a number of significant advantages. It has cleaned up huge areas of pollution in the metropolitan area and in towns around Western Australia. It has allowed people to further develop their blocks. It has cleaned up pollution plumes and pollution running into rivers. It has allowed people in country towns in particular to embark on commercial developments that have benefited their whole community. In 1982 the floodwaters came right into the town of Nannup. Those types of flat areas cannot be developed unless there is a proper infill sewerage program. At the moment, Nannup has a state-of-the-art winery, which is adjacent to the town and which was built by BRL Hardy Wine Company. Part and parcel of its building that project in the area was that an infill sewerage plant would be constructed and that it would connect to the winery. At the moment, effluent is being trucked away from the winery. Major companies in the wine industry, which have investments around the world, are important to the economy of the south west. We cannot commit to building an infill sewerage plant and then, once the company has built its winery, not fulfil that commitment. A lot of towns have a high water table, and the septic tanks leak into the stormwater and sewage-affected water runs down the streets. It is not healthy under any circumstances. I am sure members would agree. It is not acceptable in this modern age. Again, I urge the Government to reinstate the infill sewerage program. It is a winner for everyone; it is a winner for communities, subcontractors, planners and people in commercial industries around the country.

Another work in progress is the Margaret River substation, with funding of \$1.4 million in the 2002-03 budget. It has an estimated cost of \$3.5 million and so far \$6 000 has been spent. I will be watching that project with close interest.

I alert the House to the fact that I visited the Strawberry Farm in Margaret River recently at the request of the proprietors. It employs 22 people and makes wine, strawberry wine and liqueurs. It is a major tourist attraction in the Margaret River region. At times it must turn out the lights because when the extraction fans are turned on and there is a large number of people in the restaurant, the power trips out. An extension to the three-phase powerlines has been promised for a number of years. The regional officer who handles public issues is Brian Zanich. He is a Margaret River boy who does an excellent job. He could do nothing more in responding to our requests in a timely way. He always responds to us in a polite manner and tries to do the best he can. Unless funds in the budget allow for the extension of these powerlines, significant numbers of businesses along that power route will continue to have problems and will not be funded properly.

Works in Northcliffe relate to Western Power and the extension of the power loop for Northcliffe dairy farmers. The previous Government made a commitment to spend \$300 000 above and beyond what Western Power would spend. It was funded from a separate pot of money under the Warren-Blackwood action plan. Part of the commitment was that transformers would be partly funded by the State, but the new Government reneged on that commitment. That does us no good as members of Parliament. It is no wonder people lose confidence in us when we make commitments and then renege on them. I am very concerned that the budget is a city-centred budget that concentrates mainly on city people. There is not enough provision in the budget for people in the country.

I now turn to some industry matters. Members would have heard me speak time and again about the timber industry and its funding, particularly the forest industry structural adjustment package. I understand that most of the money in the budget is to pay people to exit the industry. A contractor who was in the logging part of the industry received a payout. To maintain his business, he took up a contract to clean up one of the mills that had been vacated by the previous owner. He removed 33 000 cubic metres of sawdust, timber, bits of steel, car bodies etc, and when he sent the bill to the owner, the owner would not pay it. The Department of Industry and Technology, my office and the contractor have been toing-and-froing on this matter for more than a month now. The contractor has run out of money. He must now take the former mill owner to court. The Government is withholding money from the business exit money for that timber mill under the Department of Industry and Technology. The Government refuses to pay the contractor directly. Apparently, crown advice has indicated that the money is available only for the payment of wages. What does the ex-logging contractor do? He has spent all his money cleaning up that site. He has done an excellent job. It is Department of Land Administration land. It has acknowledged the quality of the job and has praised the contractor for doing the job. The Department of Industry and Technology is sympathetic but says that if the contractor cannot convince the former

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mill owner to pay him, the contractor will need to take him to court. Last week, the contractor had to sell his wife's little old car. Now he has to sell his two Toyota four-wheel-drive jeeps to keep going. I warn the minister that I intend to raise this issue with him tomorrow. I have a video of the site. It is an indictment of not only this Government, but also the local government and the former Government that they have allowed a mill site on crown land to fall into the condition that this site is in. There were car bodies, heaps of sawdust, rats, cats, human waste, dilapidated buildings, furniture out in the open and a caravan with no ablution facilities. The contractor was asked to clean up the site because the Government wanted it cleaned up. He did the job properly and then the Government said that it would not pay him and that the contractor would have to take the owner to court. The contractor could become bankrupt as a result of taking that court action. I understand that the other person is not in the habit of paying his bills in a hurry. I have told the bureaucrats that in a case like this they should employ a tenderer to do the quantity surveying for the clean-up. There are 50 or 60 of these sites in Western Australia, most of which are on crown land but some of which are on private property. The Environmental Protection Authority wants them cleaned up. We should not allow situations like this to occur. The Government should pay the fellow and put in place a process that works. They should let a tender for the whole job rather than pay people per cubic metre or per tonne. Sawdust is much lighter in summer than in winter. How will anyone know exactly how many cubic metres are being spread?

I do not know whether I must beg the minister to pay these people. It destroys me to see proud people in tears because the Government will not pay the money when it holds money in the budget for that kind of thing.

Members will have read recently about the demise of Pempine Pty Ltd, owned by Bernie Ryan, a very good friend of mine and a good corporate and community citizen. Bernie has battled for many years to keep his pine mill operating, which employed 30 people. He had a bad batch of logs and as a result he had to bring in an administrator. He was faced with three options: the administrator could try to trade out of some of the debt; he could sell the mill to an interested party, bearing in mind the land and the resource belong to the Government - while he has nearly 20 000 cubic metres of logs he has something; or he could hold a fire sale. Had I known that Bernie was in trouble I would have suggested he relocate onto the large Sotico mill site. He may have been able to keep those people employed and possibly survive.

Mr Kucera: Were you talking about pine?

Mr OMODEI: Yes. A pine mill has existed in Pemberton for 30 years.

Mr Kucera: What does that have to do with the old-growth forest issue?

Mr OMODEI: I was not talking about old-growth forests. I was talking about the Pemberton pine mill.

Mr Kucera: That does not fit into the model. It seems a bit unfair to blame the Government for that.

Mr OMODEI: I have not blamed the Government for anything. I am explaining Bernie Ryan's situation. Bernie Ryan has been a miller in Pemberton for 30 years milling 20 000 cubic metres of pine a year. His business was struggling and he received a bad batch of logs. He complained to the Department of Conservation and Land Management, which acknowledged it. Although he could have benefited from the logging that occurred across the road on a new plot, which contained pines of better quality, an environmental study had to be undertaken to determine whether any rare flora was in the area. That delayed the event for two or three weeks. He acknowledges that his business was running close to the line. His difficulty is not related to the Regional Forest Agreement. However, as the local member of Parliament and a good friend of Bernie, had I known that he was in extreme financial difficulty I may have been able to find a way of shifting that resource to the current Pemberton mill, bearing in mind that its capacity has been decimated to one-third of its previous capacity. The infrastructure exists there for that, and perhaps it would have ensured that Bernie Ryan's mill was a going concern and those people were still employed. I have taken it upon myself to talk to the forest products manager and suggested that resource remain attached to Pemberton so that should the administrator not trade out and the business be sold, it would be available on the new mill site. The new mill owners, Auswest Timbers Pty Ltd, have been talking to the Department of Industry and Technology. Technology and funds will be forthcoming from the Government to assist in the establishment of that mill. That is a step in the right direction; albeit the mill will employ 50 people rather than 104 people, and the logging operation has been decimated.

It has been said that the people from Manjimup and Pemberton are very resilient. They went through the collapse of the tobacco industry in the 1960s - in 1960, 3 000 people left the district. It was a major event. When people say to me that the town will climb out of this change, I am confident that it will in time. However, we cannot take out of the bush a huge amount of machinery such as tractors, large bulldozers, graders for building roads, logging machinery forwarders and forklifts and the associated hydraulics, tyres and batteries and not expect it to have an impact on the community. Nor can we take away the mill workers and the value adding section, which is the mainstay of a district. It will have an impact on not only that industry but also all the other

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industries. I would not mind that if it were as a result of a commercial decision, an international marketing force or a product such as pine that was competing with our product. There are very big pine operators in the eastern States. The pine market is very competitive. However, this situation has arisen purely due to a political decision by the Labor Party to embark on a very comprehensive program to convince people that forests in the south west of Western Australia were about to disappear.

Anyone who knows the south west knows that is not the case. To his credit, the Leader of the Opposition raised the very important point that many old-growth trees are still being logged. The perception is that logging of old-growth trees has ceased. I do not know whether the Premier is fixing up his house. If he is, I am sure he is using good old-growth jarrah. That is the best product. There is no doubt that if we visited Dean Mill or Whittakers we would find a lot of jarrah trees in excess of 600 millimetres in diameter. They are by no means in a regrowth forest; they are old-growth trees. It could be argued that we have stopped logging blocks of old-growth forest. Pemberton is beautiful at this time of the year; that is, autumn. Members should visit Big Brook Dam, one of the main tourist attractions in the middle of an area clear-felled in 1930 because it was devastated by fire. It contained magnificent 70-year-old trees. The area that the Government uses on its brochures, and which *The West Australian* used to illustrate tourist attractions in old-growth forest, is a regrowth forest. What is happening? Big Brook forest, on the doorstep of Pemberton, is being logged. Big Brook forest is still in the production area because it is a regen forest. At Mataband, 110 kilometres south east of Northcliffe, one coupe of old-growth forest was left half uncut the day after the election because Wally Cox, God bless him, and the Forest Products Commission said that logging would stop because it was the new Government's policy. No-one will go near that bush. It is too far out of the way. When the logging roads are overgrown nobody will go near it. What are we doing? The day after the election, prime 70 or 80-year-old trees east of the Gloucester tree in Collins block, five or six kilometres from Pemberton, were cut because they were regenerated forest. Kevin Roche stood in the coupe and told the Leader of the Opposition that we should not be cutting these trees. Kevin Roche has been working in the industry for decades. He said that those trees should be left for future generations to cut for their houses and that we should be cutting the old-growth forest 110 kilometres away because it must be cut and regenerated. There are a lot of views on this issue. I wish that we would take the politics out of the forest debate.

One of the reasons I am standing here today is that the Burke Government decided to turn the Shannon River basin of 53 000 hectares into a national park. The scientists told us that there was nothing special about the Shannon National Park; that it was just another river basin. All the tree species and the ecosystems were already in existence in other coupes and river systems in the forest. There was actually a town, a school and a golf course in the middle of the Shannon River basin. The mill houses were very similar to those in Pemberton, Northcliffe and similar small towns. There was a mill there from 1950 until 1975. The mill finally closed down because of the reduction in timber. Shannon River basin was not closed until 1983. The mill closed back in 1975 because over time the timber supply had reduced. Dozens of mills have closed over the past three decades. There was a mill in that area. The timber is now 50 years old, and it needs to be thinned to make it into a good national park. Will we ever see the day when commonsense prevails and the industry can go into that forest and bring out some of the resource?

I want to talk about a whole range of other issues, such as the houses at Pemberton. I was pleased that the Premier acknowledged that the timber houses in Pemberton were not worth \$90 000 to \$95 000. People want to give the timber houses heritage status. There is a heritage precinct covering those houses. Tom Perrigo said at the meeting the other day that they should all be put into a precinct under the National Trust. The very people who proposed we should stop logging in old-growth forests now want to protect the heritage of that industry. I find that a bit galling, but I am sure there will be a solution. I do not think the houses are worth anywhere near \$90 000, because the land belongs to the Government, the houses belong to Sotico, and obviously the Government needs to make some money to subdivide the land, which is now sewerred. It needs to be strata titled. The houses are probably worth somewhere between \$25 000 and \$30 000. If we had a commonsense approach similar to the Homeswest buy-up scheme, whereby the people continue to pay rent and that goes towards paying off their houses rather than their continuing to pay rent ad infinitum, they would finish up with a significant asset. I get a bit angry, with just cause. The Government of Western Australia has just taken the jobs off these people and it is now about to dice them out of their houses. Why? It is so that people from metropolitan Perth can own a beautiful little cabin in downtown Pemberton that they can visit for the spring, summer and the autumn and shoot through when it gets too wet and cold. That is not just. Those people who have lived there for 25 or 30 years should be allowed to live the rest of their lives in that area. If they are on the dole or do not have a job, they should be allowed to live there. They should be allowed to have their own house, to make it their castle. A lot of the houses were in a very dilapidated state when the people first moved in. They put a huge amount of effort into fixing them and are now being asked to pay for them. That is not very just. I hope that the

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powers that be within government take on board the fact that those people's rights need to be defended. Those people should be given a fair deal.

Finally, under the Department of Conservation and Land Management budget, last year the current Government scrapped the payment going to national parks along the western coast in the Margaret River, Busselton and Augusta area. My request to the Government is to consider doing the same thing on the eastern side in the Manjimup, Pemberton, Northcliffe and Walpole area.

**MR MASTERS** (Vasse) [11.03 pm]: I do not pretend to be an economist, but like most people who have run small businesses at various times in their lives, I have an interest in the general issues of the State's finances. I also admit that being Treasurer is a difficult job - handling competing demands, setting priorities, balancing factional demands and so on. I believe the Treasurer well and truly earns his keep.

Mr Ripper: I thank the member. I do not have to balance factional demands; that is not a factor in budget making.

Mr MASTERS: We will wait and see. I have two comments to make about the budget. First, this is the second year in a row in which total public sector net debt will go up by a larger amount than the increase in total public sector net worth. The figures in the budget show that from 2000-01 to 2001-02 the increase in net worth was \$591 million but the increase in net debt was \$891 million, which means that the value of the State's assets was \$300 million less than the increase in the debt that we have incurred as a result of last year's budget. In this year's budget the increase in net worth from 2001-02 to 2002-03 is \$556 million, but the increase in net debt for the same period is \$585 million, meaning that our net worth went up by \$19 million less than our net debt. I am concerned that for two years in a row, the first two years of this Labor Government, the assets of the State have declined relative to the level of debt that taxpayers will at some stage have to pay off.

Mr Ripper: I am a bit concerned about the member's analysis. What we are talking about is the net worth of the State, not the gross worth. The net worth is a figure arrived at after you subtract the liabilities of the State, including borrowings.

Mr MASTERS: That is right. That is exactly why I am concerned. It is after all those other components are subtracted and we are left with the net debt, the bottom line value; or in the case of net worth, the bottom line worth, after all the liabilities have been removed. I refer to budget paper No 3, *Economic and Fiscal Outlook*, page 26, where table 5 summarises the total public sector and includes a line of net worth - the sixth line into the table. Page 34 shows the net debt of the public sector at 30 June. The figures are quite clear. When comparing the net worth of the total public sector with the net debt of the total public sector, we find that for the past two years we have borrowed more than the amount by which the value of the assets has increased. My non-economist understanding of the only way to interpret that is that either we have borrowed money for assets that have gone down in value after we have borrowed the money, which is not unusual, or we have used some of our borrowings to pay for day-to-day operating costs, which unfortunately is not particularly wise economics, based upon my school of thought.

Mr Ripper: I can categorically assure the member that we have not borrowed for day-to-day expenses. That is what a running surplus means. To the extent that we have borrowed, it has been for long-term assets, such as schools, hospitals, roads and power stations.

Mr MASTERS: I am somewhat relieved to hear the Treasurer say that, because borrowing for operating costs was one of the things that the previous Labor Government did towards the end of its term in office in the late 1980s and early 1990s. It was borrowing money for maintenance of schools and all sorts of things that could only be interpreted as operating costs.

Mr Whitely: You were selling off assets in your time in government.

Mr MASTERS: I am not talking about selling off assets. The member is changing the subject.

Mr Whitely: That is exactly how you financed the budget deficit.

Mr MASTERS: I am talking about the bottom line.

Mr Whitely: The bottom line is that we have run two budget surpluses.

Mr MASTERS: Then we must take into account the debt, and the debt has gone up in each of the past two years by more -

Mr Whitely: Do you understand the difference?

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Mr MASTERS: I understand the difference, but I do not think the member does. I am talking about total public sector net worth and total public sector net debt. They are the two most important bottom lines. Borrowings, operating expenses and everything else are taken into account. These two bottom line figures must be considered when trying to understand where this Government is heading. As I said, the increase in debt this year will be \$300 million more than the increase in net worth. Next financial year, it will be only \$19 million. That is a good trend.

Mr Whitely: If it were against net assets, you might have a point. You are missing the point. Net worth is the difference between assets and liabilities. If net debt increases by \$300 million, you do not necessarily expect net worth to increase by the same amount. As long as it is increasing, you don't have a problem.

Mr MASTERS: With respect, there is a problem. If debt continues to increase at a rate significantly greater than net worth -

Mr Whitely: I will explain.

Mr MASTERS: I am giving the member a chance to interject. However, he should let me have my say and not be rude.

If net debt increases at a rate significantly greater than the increase in net worth, we will eventually get to a stage at which the disparity between the two is so great that the debt cannot be serviced. There may be assets, but the gap between debt and net worth will be so great that it will cause serious financial problems.

Mr Whitely: I will provide an example. If a person has a net worth of \$500 000 and borrows \$300 000 to buy a house worth \$500 000, his net worth has increased by \$200 000 and his level of debt has increased by \$300 000. By the member's measure, that is not good financial management.

Mr MASTERS: I am afraid the member for Roleystone does not understand what I am saying. I understand the concept he has put. However, during this financial year and next financial year, the value of the house will decrease. That is the difference between -

Mr Whitely: How is our net worth increasing?

Mr MASTERS: Net worth increased this financial year by \$591 million, but debt has increased by \$891 million. That is a \$300 million net increase in debt. Next financial year, the increase in net debt will be only \$19 million. As I said, the Treasurer is driving the economy in the right direction. Over the following three years, projections suggest that total public sector net debt will be lower than net worth by \$370 million, \$669 million and \$1 023 million respectively. That is a good trend, and I hope the Treasurer can stick to those figures - if he still has the job. I also hope that he can withstand the demands that I have mentioned.

It is amazing how the forward estimates for many portfolios indicate a significant rise in expenditure in the 2004-05 financial year and sometimes in the 2005-06 financial year. Coincidentally, the next state election is likely to be held in late 2004 or early 2005. Am I being cynical in wondering whether the increase in expenditure in that budget period is somehow linked to the election that is scheduled to occur at that time, or is it purely coincidental?

I have mentioned development commissions in the past. The 2002-03 estimate of expenditure for the South West Development Commission next financial year is \$5.115 million. The following year it decreases to \$4.3 million and then, coincidentally, in election year 2004-05 it increases by more than 50 per cent, to \$6.839 million, before decreasing again the following year to \$4.55 million. That may be a coincidence or an election strategy.

I will refer to two specific areas: my shadow portfolio responsibility for science and the environment and what the budget means for the electors of Vasse. My study of the budget shows that most environmental agencies suffer cuts in this budget. The Department of Conservation and Land Management budget has been reduced by \$1.4 million once inflation is taken into account. I am extremely disappointed because voters were given the clear impression during the election campaign that a Gallop Government would deliver on a number of environmental issues. In most cases, they were sold a pup. Allowing for inflation, virtually all the environmental agencies will suffer budget cuts. Funding has been increased for parks and visitor services in the CALM budget. However, it is important to note that the area of land to be managed by CALM has been increased by five per cent as a result of land transfers. Taking into account the extra land and the 2.9 per cent increase in costs as a result of inflation, the bottom line, even after a perceived 8.4 per cent increase in the parks and visitor services budget, is that CALM will receive only \$157 000 extra. If we accept that CALM land is subject to enormous pressures, that very small increase is simply not good enough.



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The water has been significantly muddied with regard to the allocation for nature conservation. A casual observer reading page 623 of budget paper No 2 would think that CALM has done well in funding terms. This year's estimated actual expenditure is \$55.4 million. That figure has been increased to \$63.25 million. That is wonderful news. However, page 625 indicates that \$64.4 million was to be spent this financial year, but the actual expenditure has been \$9 million less.

The member for Warren-Blackwood pointed out that budget surpluses have been achieved by imposing significant cuts in some very important areas of government responsibility. The reasons given for the significant variation from last year's budget figure to the actual estimated expenditure are that \$4.5 million was deferred from the salinity strategy and \$3 million was deferred from the sustainable forest management area of responsibility. In other words, a total of \$7.5 million was deferred from the promised amount of \$64.4 million. When one plays around with the figures and tries to compare apples with apples, rather than apples with oranges, one comes to the conclusion that there has been a reduction in the amount of money made available to the Department of Conservation and Land Management for nature conservation, if last year's expenditure reached the anticipated levels.

I guess my greatest concern about CALM funding, however, relates to output No 2, which is sustainable forest management. I could quote from the Treasurer's budget documents or quote the Premier on the many occasions on which he has crowed loudly in this place about how the Gallop Labor Government has saved old-growth forests by protecting them from logging. However, I could also refer to the number of times on which I have tried to point out in this place that old-growth forests are not protected just by stopping logging and putting a line on a map to show that no more logging is due to take place in a particular area. That area must be actively managed by removing weeds and feral animals, by managing people pressure, by controlling dieback disease, and by using or controlling fire, should it occur in an unplanned way. Fire must be managed to make sure it does the right thing, not the wrong thing, for the environment. In other words, a whole list of management actions must be taken to make sure that the forests that this Government claims have been protected for all time will be sustainably managed to achieve that long-term goal.

On page 627 of the budget papers, the bottom line is that the total cost of output on sustainable forest management for this current financial year was budgeted originally to be \$39.2 million. The estimated actual was \$36.1 million. Last week's budget reduces that to \$29.13 million - a very significant reduction, and one that I hope the Premier will consider the next time he opens his mouth and says that the Government is so proud of the fact that it has saved the old-growth forests. The reality is that unless money is put into management, the old-growth forests will not be saved. As the member for Warren-Blackwood pointed out, there may be good management reasons for forcing people, in years to come, to log what are otherwise high conservation value forests because the ongoing management dollars have not been put into that area of forest.

In output 3, resources and services provided to the Conservation Commission of Western Australia, there is no real change from last year to this year. However, I note that, along with many other sections of the budget that I have looked at, in many expenditure areas there is simply no allowance for inflation. For example, for this financial year, the Conservation Commission of Western Australia was given \$555 000 to carry out its task. Next year it will be given \$556 000 - a \$1 000 increase. One would have thought that with an inflation rate of 2.9 per cent, it would have required a \$15 000 or so increase from this year to next year.

I appreciate the pressures on the Treasurer. I mentioned that at the beginning of my comments. Nonetheless, if the amount of money available to these government agencies is not increased in line with inflation, only two things can be expected. One is reduced services, and the other one, hopefully, is increased productivity. As soon as I say that, I open up a whole can of worms, because in the next breath I must talk about changes to industrial relations laws in this State that are planned by the Government, and now is not the time to talk about them. Nonetheless, it can mean only two things when no allowance is made for inflation. One is reduced services, and the second is increased productivity. I do not believe that there will be any significant increases in productivity because of the ways in which the industrial relations laws will be changed, should the legislation before the Parliament go through in the way the Government hopes it will.

I mentioned that the amount of money that will go into parks and visitor services within CALM will increase. However, I point out that there has been a five per cent increase in the area of land managed by CALM, from 10 million to 10.5 million hectares. Therefore, when that is taken into account, plus inflation, it is a miserable increase of \$157 000 in a budget of \$51.6 million. It is tiny and hardly worth talking about.

Of course, I should point out that there is some good news. The only bit of good news relates to the Zoological Gardens Board, which operates the South Perth Zoo. No, I tell a lie. That is another of the negatives. The only positive relates to the Botanic Gardens and Parks Authority, which looks after both Kings Park and Bold Park. It

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has purchase of outputs plus capital expenditure increases that jump from \$8.2 million this year to \$12.1 million next year. I commend the Government for what is obviously a worthwhile increase in funding for Kings Park. Having said that, however, I must bring a bit of reality into the situation, because the Botanic Gardens and Parks Authority - previously known as the Kings Park Board - has also been charged with the responsibility of putting a lot more management effort into Bold Park. It should be given that responsibility, because Bold Park is an important recreational and environmental asset to not only the western suburbs but also the whole of metropolitan Perth. Nonetheless, this shows that the only area of the environment portfolio that is getting a significant increase is an instrumentality that will have major increases in responsibility thrust in its direction. I sincerely hope that the Botanic Gardens and Parks Authority will be able to do the same high-quality job of managing the Bold Park bushland that it has done with Kings Park. Hopefully, the increase in funding by the Government will go a long way towards that, but only time will tell.

In the portfolio area of environmental protection, I am sorry to say that there is no good news. Again, I must emphasise the fact that this Government was elected on the basis of its perceived commitment to protecting the environment and nature conservation. The environmental protection portfolio responsibility commences on page 655 of the budget papers. Under purchase of outputs, the amount of money committed to environmental protection will drop from \$25.4 million to \$21.6 million - a significant reduction in funding. The Minister for the Environment and the Government as a whole may have good reasons to justify that funding decrease. However, I also refer to page 656 of the budget papers, where I presume that an officer - maybe even the acting chief executive officer - of the environmental protection section wrote the following words -

DEP has detected a significant increase in the community's desire to become involved in environmental issues across the State with specific demands being placed in icon areas . . .

These are the important words -

DEP recognises and supports the community's right to know and right to be informed but notes that to give effect to the rights can be resource hungry.

I can interpret that in only one way; that is, that the Department of Environmental Protection is saying to the people of Western Australia that it does not have the financial resources to meet the community's expectations in the context of information on environmental issues that the community is demanding it be given. If any other spin can be put on it, I will welcome an interjection. I note that the Minister for the Environment is not in the Chamber. Regretfully, the amount of money that the Department of Environmental Protection will put into community involvement will significantly reduce. If I am wrong, I presume the only answer I can be given is that the community involvement activities of the DEP will be maintained at current high and acceptable levels. However, there has been a reduction of almost \$4.5 million in the funds allocated to the DEP, so something must give. Either community involvement activities will be reduced or, if they are left at the same level, the activities on the ground that the DEP carries out to protect the environment must reduce. I cannot see any alternatives other than those two. I fear that it will be the latter; namely, the funds put into protecting the environment will decrease.

The next area of environmental portfolio responsibility is the Swan River Trust. I note yet again that, like last year, funds provided by this Government have reduced. It is not much; it is \$120 000 in a budget of \$5.1 million. However, the bottom line is that, when inflation is taken into account, the allocation to the Swan River Trust is about five per cent less than last year's allocation. The Swan River Trust points out that there has been a marked increase in the pressures that have been placed on it. It is probably worthwhile to quote briefly from page 687 of the budget papers -

The population growth in Perth particularly in catchments of the Swan and Canning river systems is causing a marked increase in -

It lists three areas -

- pressure for development along waterways . . .
- the level of recreational and commercial use of the waterways . . .
- the potential for environmental degradation of the waterways and foreshores.

Given that clear warning to this Government that the pressures on the Swan and Canning Rivers are increasing and, as a result, demand increased funding, it seems incredibly strange that the Government, after allowing for inflation, would reduce funding to the Swan River Trust by five per cent.

I will now talk about the one bit of good news in the budget for the science and environment portfolios.

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Mr McRae: Hallelujah!

Mr MASTERS: Hallelujah! I thank the member for Riverton. I refer to the Zoological Gardens Board of the Perth Zoo. The figures in the budget indicate an increase of \$340 000-odd in the grand total allocation of funds from this year to next year. Again I need to temper that rise in funding by saying that, taking account of the 2.9 per cent Australian inflation rate, the actual increase is zero. There is barely a cent difference from this year to next year when inflation is taken into account. That, again, is surprising when one considers how popular the Perth Zoo is with the community of Western Australia. The figures are astounding. Last year there were 550 000 non-student admissions and 58 000 student admissions to the Zoo in a population in Perth of some 1.3 million people. That means that between one in two and one in three people visited the Perth Zoo, yet in spite of the obvious pressures placed on the Zoo, the Government does no more than give an increase equal to the inflation rate. That is a very disappointing figure.

The final comment I make about my shadow portfolio responsibilities relates to the area of science and innovation. I will not call the figures in the budget creative accounting; however, it is difficult to compare last year's figures with this year's figures. It is interesting that I should make that comment, because I was told by a journalist that the Government would be very much hanging its hat on an increase in funding to the science portfolio in the 2002-03 budget. As I said, it is difficult to compare the figures in last year's budget with the figures in this budget. I will obviously raise this matter during the estimates committee hearings next week. Last year there was no allocation of funds to science; it simply was not in the budget; instead there was an amount of \$41.7 million in the budget for innovation and technology. I know that not all of that money was spent. Some of it was withheld because the Premier's Science Council was unable to get its recommendations to the Government. The Government, without too many protestations, did not push the issue too much and was able to defer a little money from that year's budget to this year's budget. Again, last year's budget provided \$41.7 million for innovation technology. If one adds this year's budget allocation of \$6.3 million for innovation and technology and \$29.8 million for science and innovation, which is in a separate section of the budget, the total of \$35.2 million is some \$6 million less than was budgeted last year for the general fields of science, innovation and technology. Without asking at the estimates committee hearings, there is no way that I can fathom in any detail what has happened. Science and innovation definitely appear to be far less well funded in the current budget than they were in last year's budget. My one conclusion on the budget for the portfolio areas of science and the environment is that it is disappointing. It appears that the environment portfolio has suffered the same sorts of cuts across the board that many other government services have faced, in spite of the way in which this Government tried to otherwise convince the people of Western Australia by saying, "Trust us, we will look after the environment. It will all be okay and we will protect old-growth forests." I am very disappointed.

In the few minutes I have left, I will briefly talk about what the budget means to my electorate of Vasse. It is important to point out that Vasse is still a very fast-growing electorate. For five or six of the past 10 years, the Shire of Busselton has been the fastest-growing municipal area in percentage terms in the whole of Australia. I have welcomed the news that the Shire of Capel may well have overtaken the Shire of Busselton in growth rates because of the significant increase in housing and therefore population that is occurring in the Dalyellup area, which is the northern part of the Shire of Capel where it adjoins the City of Bunbury. Despite that history of very strong growth, in last year's estimates committee hearing, the Minister for the South West said that that section of the coast, the Vasse electorate and the western parts of the Warren-Blackwood electorate were part of the chardonnay coast and did not deserve any significant funding assistance. It appears that the minister's wish that no significant funding be allocated to the chardonnay coast has come true yet again.

By way of highlighting how disappointing the budget is to the Vasse electorate, like the member for Warren-Blackwood, I will refer to the lovely purple page that was provided to all members of Parliament. It is headed "Budget 2002-03; Investing in Our Future" and refers to the capital allocations to the Vasse electorate. There happen to be four new works listings and four works in progress listings on this sheet. One would think that with eight listings on a sheet, the news would be reasonably positive. I praised the Minister for Education at the beginning of this year because he was able to achieve something worthwhile in my electorate; namely, Geographe Primary School opening on time. Unfortunately, I cannot say that about the capital expenditures in progress or new works for the Vasse electorate in this budget. The reason for that is that there are three significant errors on this sheet. Under new works, it is claimed that the Busselton Water Board will spend \$1.1 million on plant, equipment, mains and sewers. The Busselton Water Board certainly will spend that money in the 2002-03 year. However, it is not a government instrumentality and should not be on this list. It is a community-run and community-driven statutory authority that gets its money not from the taxpayers of Western Australia as a whole, but only from water users in the Busselton town site - nowhere else. On that basis, it should not be on this list of capital expenditure items.

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The third item on the list, under planning and infrastructure, is for \$590 000 for Busselton foreshore stabilisation in 2002-03. That is a printing error. I have contacted the Shire of Busselton. It has not asked for any money and even had it asked for the money, it certainly has not been told of any that is coming its way. The CD-ROM of the budget indicates that there is nothing under Busselton foreshore stabilisation to the tune of \$590 000. However, \$590 000 has been allocated to Bunbury for boat mooring pens in, I presume, the outer harbour. This is quite a genuine and serious typographical mistake on this sheet. The third item should not be there at all. The last piece of expenditure listed on this sheet comes under Western Power Corporation and is for \$533 000 for a new substation or for an upgrade to the substation in the Gelorup and Preston Park area. Unfortunately, neither of those two areas is in my electorate. Expenditure on the Western Power substation will not be spent in the Vasse electorate.

The bottom line is that under the previous coalition Government, Vasse could expect to receive something in the order of \$20 million to \$40 million a year to allow it to cope with the growth that has been occurring at prodigious rates for each of the four years I was a member of Parliament in the previous term of government. However, this year the total amount of money is about \$12 million. That is about half the level of capital expenditure funding that would have occurred under the previous Government. The growth pressures are as real now as they were in each of the past five years.

I have prepared a list that runs to two pages of what I consider to be serious and important capital expenditure needs in the Vasse electorate. They total \$69.5 million. I will briefly go through them because I know the people of my electorate who are waiting for these services will want some reassurance that I have not forgotten them and that I have included these issues in my summation of where the Vasse electorate has missed out in this budget. At Dalyellup there will be a need for a new full-blown school within a couple of years. At the moment a school-in-shops is working very well, but school student numbers increased from 120 last year to 230 this year. That is a prodigious increase in school population. I hope it will not increase next year, but I fear that it will because of the very rapid increase in population and housing at Dalyellup. Within two or three years, there will need to be a \$4.8 million full-blown school in the electorate. As well, there will be a need for firefighting resources to be provided to the Gelorup fire brigade, which has responsibility for house firefighting in Dalyellup. I received some comfort from the Minister for Emergency Services in this place last week and I am grateful for that. There seems to be an expectation of some funding in that area.

I recently received an inquiry from a resident in the Stratham area who is looking to explore the possibility of a bike trail being built from Stratham all the way into Bunbury. That might seem something of an extravagance, but there is a very active over-50s bike club in Busselton. By using back roads, that group can travel from Busselton to a place called Roberts Road, which is just north of Capel on the way towards Bunbury, without coming into conflict with high-speed traffic on Bussell Highway. If a bike trail then went from Roberts Road to Bunbury, we would have the makings of a very popular recreational bike trail that would be used by several thousand people every year. Therefore, I commend that constituent for raising the issue with me.

Capel does not score a mention at all. The township of Capel is completely invisible to the budget; yet there is an urgent need for the replacement of some very old dilapidated Department of Housing and Works houses within the Capel town site. The Water Corporation admits that it has significant problems with its small sewerage treatment plant. The 150-metre infiltration trench that it is building now is simply a bandaid measure that will not solve any problems. Until the sewerage treatment plant is improved, there will be no infill sewerage in Capel. Capel also needs an extension of the four-lane Bussell Highway down to the Tuart Drive corner to accommodate tourist traffic.

Busselton is the real pressure point in the electorate. Main Roads Western Australia has had to defer spending money on making Bussell Highway four lanes from Dolphin Road to Monaghan's Corner. A roundabout will not be built at Monaghan's Corner for a few years. Safety lanes are urgently needed on Caves Road between Busselton and Dunsborough, and Bussell Highway from Vasse to Margaret River desperately needs safety improvements. The Water Corporation is still doing infill sewerage, but I think this is the last year of that. Homeswest should provide money for singles accommodation. The Department for Community Development has again forgotten to provide supported accommodation program funding for crisis and emergency housing in the town. There are needs in education - for example, Busselton Senior High School - training, health and the Department of Conservation and Land Management. Even the Treasurer has forgotten Busselton, because we were hoping for some form of land tax concessions for the low-key holiday accommodation providers who have been very badly hit because of revaluations and increases in land tax. There is also a need for an entertainment centre, and Western Power needs to put a lot more resources into the area. I cannot forget Dunsborough. There is a funding shortfall for the Dunsborough Primary School, which I will bring to the attention of the minister

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shortly. Busselton and the Vasse electorate are very disappointed with the budget. Basically, we have been forgotten by this Government, but at least that is consistent with the electoral changes that are proposed.

**MR McNEE** (Moore) [11.50 pm]: I will make a few comments on the budget, such as it is. I think someone on this side referred to it as a budget of smoke and mirrors. It could be referred to as the Pat and Nick budget. My electorate is the forgotten electorate. Since this Government came to power, all it has done is stop things. One of my electors rang me to tell me that the Premier was asked a question on the radio this morning. Apparently he can be heard on the radio on a Tuesday when he refers to the achievements of his Government. I bet the script is not very long. He was asked what he was doing for country areas. It did not take him long to answer but he muttered and mumbled about taking Cabinet to the country. God knows what that does. I think a cabinet meeting was held in Geraldton. The catering industry might benefit from the meals cabinet members eat when they hold meetings in regional areas. That would be a short-term effect. The Premier said that the Government was spending various amounts of money, but we are still waiting to find out where he is spending it. It is the best kept secret I know of.

Members opposite are a bit like Ali Baba and his mates. They are saying that the budget is in surplus. I have just knocked over my empty glass.

Several members interjected.

Mr McNEE: Members opposite are good are they not, Madam Deputy Speaker? However, they are not good enough. They need a lot of practice.

Mr McGowan interjected.

Mr McNEE: The member for Rockingham should be careful; we are going to have a little chat about a few things in a moment. He should not annoy me. The Government claims to have a surplus but, on the other hand, it says that debt will increase. I do not know about that. Many people on my side have run successful businesses in their time. I have always been advised to be careful when debt increases. That is when alarm bells start ringing. Perhaps State Governments are different. This State Government has found a reason to increase stamp duty, among other things. Surely alarm bells should ring when debt increases, because it could eat into equity.

The Government has referred to growth in assets. I do not know about members on the other side, but if I borrowed money to buy something, I would not own what I bought. If I took out a mortgage with a bank, I would not own that commodity, although I could have some equity in it. I cannot get a generous accountant who will tell me that what I am doing is good. Members opposite seem to think the surplus is wonderful. I would not mind being in this situation if I had not been through it before. I was here when the Labor Government racked up a debt of \$10 billion. I have heard the same doublespeak by politicians while debt was getting bigger and bigger until finally the bubble burst. The people woke up and the Burke Government was voted out.

Mr Kucera: And then the Japanese bombed Pearl Harbour!

Mr McNEE: We have not talked about health services yet. The minister should be very careful. I have a few health issues that I will refer to the minister and he will not sound half as smart when I do. He should fix the Melon's problem. I have spoken to the minister every day but he has not solved it. Like me, the people involved are losing their patience. I hope he has an answer tomorrow. Meanwhile, if he sits down and listens, he might learn something. He has not learnt much to date.

Mr Logan: Cancel that MRI for the sheep!

Mr McNEE: I have many sheep, which are much more intelligent than the member for Cockburn. They would leave him for dead. He should not insult my sheep.

Mr Logan: I believe there are a couple loose in the top paddock!

The DEPUTY SPEAKER: Order!

Mr McNEE: My sheep would leave him for dead. This is a crazy system. The Government promised that it would not increase taxes and charges. Is the extra charge on stamp duty an increase? Is the additional charge on my vehicle registration an increase? Is the extra charge on my water rates an increase? I think they are increases. Governments seek to win elections based on promises that they will not increase charges. That promise did not last long. It is not the first time a promise has been broken. The Labor Government got into the cupboard last year. That is the sort of thing this Government does. I have no confidence in its financial stewardship; nor does the Press unfortunately. It recognised the competent stewardship of the Court Government.

**Extract from *Hansard***  
[ASSEMBLY - Tuesday, 21 May 2002]  
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Mr Colin Barnett; Mr Rob Johnson; Mr John Kobelke; Deputy Speaker; Acting Speaker; Mr Pendal; Mr House;  
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Mr Whitely: Is five out of eight deficits competency?

Mr McNEE: Did the Court Government reduce debt by \$4 billion or \$5 billion? If it had not been for the Court Government, the State would have been in the hands of a receiver. This State Government could not run a Paddy's market let alone a free trip. The Government is trying to once again convince us that it will not incur massive debt again. I think it will do that again. It is amazing how the Government blames its mistakes on everybody but itself. Every time it gets into trouble it blames the previous Government. That escape is wearing out; this Government has been in power for almost two years. It has now found something else to punish - the Commonwealth Government is responsible for all the health and transport problems.

That reminds me of the roads in my electorate. Have members opposite driven on a country road lately? This Government claims to have an interest in country areas, but it has no interest in the country.

[Leave granted for speech to be continued.]

Debate thus adjourned.

*House adjourned at 11.58 pm*

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