

Mr Bill Johnston; Ms Josie Farrer; Ms Wendy Duncan; Mr John Quigley; Mr Dave Kelly; Mrs Glenys Godfrey;
Mr Jan Norberger; Mr Matt Taylor; Mr Ian Britza

APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2014–15 BILL 2014
APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2014–15 BILL 2014

Second Reading — Cognate Debate

Resumed from an earlier stage of the sitting.

MR W.J. JOHNSTON (Cannington) [7.02 pm]: Earlier, I was developing the discussion about current members of government explaining themselves properly in the chamber. I made an observation about the new Minister for Transport who, in the first piece of legislation that he handled in the chamber—the amendments to the Taxi Drivers Licensing Bill—did not actually say what is true. I am not saying that he lied, because I do not know what his state of mind was, but I make the point that his commentary on the amendments was not correct. I will read it again. The Minister for Transport claimed —

These amendments were suggested by Hon Ken Travers. The government agreed to them and I am putting them forward on that basis.

That is just not true. They were government amendments. They were proposed by the government, supported by the government and dealt with by the government, and brought to this chamber by the government. They were never opposition amendments. The opposition opposed the provision that was being amended. The opposition still opposed the provision even with those amendments. The member for Armadale and others asked the Minister for Transport about the fact that the amendment does not actually change the underlying issues of the bill. Interestingly enough, if members look at the debate in the other chamber, Hon Nick Goiran—who is of course a Liberal member of Parliament—made the same point that the member for Armadale made, yet we still have that position taken by the Minister for Transport.

I also draw attention to the Minister for Corrective Services in the chamber on 9 April 2014. He was asked a three-part question by the member for Warnbro about staffing levels in the drug detection units at the Department of Corrective Services. The minister's reply was about drug dogs, which was not what he was asked about. The member for Warnbro asked a supplementary question —

Does that rant mean that the drug detection unit is on zero staffing, which means that if someone goes on leave or is sick, they are not replaced?

The minister replied —

I believe there are 10 beagles in the drug detection unit.

That is bizarre; yet that is what this government thinks is acceptable. I have another example. On 18 April 2013 —

Ms R. Saffioti: Did you just search “dogs” under the Minister for Transport?

Mr W.J. JOHNSTON: No; I just knew the one that I was looking for.

I asked the Minister for Energy a three-part question, the third part of which is —

Why did the minister decide to support the merger rather than firstly consult with industry and consumer groups?

That was about the re-merging of Verve and Synergy. The minister's reply was —

I thank the member for the question. As he knows, I do not, and nor should I, discuss cabinet submissions. That is true.

The problem is that I had not asked him about cabinet submissions; I had asked him about his behaviour. On the same day, 18 April 2013, I asked —

My supplementary question is very simple: what was it in the two weeks between 26 March and 10 April that made the Minister for Energy decide to change his position on the merger of Verve and Synergy?

The minister gave a very long answer. Part of the minister's reply was —

What does Synergy's balance sheet look like? It has a profit of \$14 million and sales of \$2 billion, but no assets.

I asked a question on notice, which was answered on 12 June; the last part of the question was —

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- (g) is the Minister aware of these matters, does he still maintain that Synergy has a profit of \$14 million and sales of \$2 billion, but no assets, and if not, when will he be correct the record of the Parliament?

I had previously asked the minister whether he knew about certain issues in the annual report. The minister's reply to that section of my question is —

- (g) Yes, comments made on 18 April 2013 by myself related not to the figures and data available in the ... annual report. The comments made were in relation to more current data available to Government, however I note even these figures were indicative as we have not reached the end of the financial year.

The minister then states —

Unlike other assets, such as individually saleable power stations, land and other tangible assets, Synergy's assets would only be of value if considered to be part of Synergy's total assets, liabilities and operations. I believe that having now clarified the context in which my comments on 18 April 2013 were made, all members can agree I was correct when I referred to Synergy as owning no assets.

In other words, even though he had not told the truth in the chamber, it did not matter because everybody knew what he meant. That is the problem we have with the Minister for Energy. I know that the same sorts of things are now happening in his role in the Treasury portfolio.

I draw members' attention to *The West Australian* of 26 April 2013. The Minister for Energy announced through the media that he would hold a review of the renewable energy target scheme. That is something I think would be fine; I think it would be great. The minister is quoted in *The West Australian* as saying —

"It is clearly an issue. I am going to look at the cost of the RET scheme to the system and quantify it and let people know what it is.

"It isn't just buying wind power, and (building) the transmission lines that go to them, but its impact on the whole system. The RET scheme, in my view, is not sustainable, especially when you get up to over 20 per cent."

"Up to over 20 per cent", given that the RET scheme is 20 per cent, but that is a minor detail. I asked the minister about that in the chamber on 19 March this year. He announced the review on 26 April. In reply to my question on 19 March, he replied —

I can confirm that early on I announced that we were going to commission the Economic Regulation Authority to undertake a review of renewable energy in this state. The Department of Treasury, the Public Utilities Office and the Economic Regulation Authority have been in discussion for quite a while about the terms of reference for that review. I can confirm that the reference was given to those agencies, and the work is underway. I can also confirm that the ERA has done quite a bit of work on this already. One reason the terms of reference needed to be altered a number of times was that this is a fluid debate.

That is all true, but of course that is not what was announced on 26 April 2013. Why does he not just stand up and tell us the truth? The minister went on —

The review of the RET was planned, but the commonwealth government has altered that plan and accelerated it.

Yes of course, but everybody on 26 April 2013 knew that the RET scheme would be reviewed. It was legislatively required by the commonwealth Parliament for the RET scheme to be reviewed. The minister then goes on —

It is best to know the number of issues to be examined before starting a study, and, if the issues are changing, it is best to hold back and identify them before going forward.

Why did the minister announce that he was doing it on 26 April 2013? If there was such a complex issue and it was going to change, and there were all these other issues, why did he say that?

Finally, I make the point that in his answer he said that the reference had gone to the ERA. That is not true. He is the minister. A reference is a specific legal document that is sent by the Treasurer to the ERA. There is no such reference. He might think that holding closed-door discussions with the Economic Regulation Authority is a reference, but that is not right, that is wrong; that is not what a reference is.

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Yesterday the Minister for Police tried to verbal me over an article in the *Victoria Park Examiner* published on 27 February 2013. For the benefit of the Minister for Police, who said that I had made no comment on the issue of hoon drivers, I will read the whole quote —

Labor member for Cannington Bill Johnston said there was no doubt the government had failed to crack down on hoons in the area.

“Residents in the electorate of Cannington are always complaining about the increased problems with hoons”, he said.

“The real solution to hoon driving problems is to get rid of the Barnett Government that has allowed the problem to get out of hand”.

It is no wonder the minister was not prepared to tell the truth in the chamber and read out all of what the newspaper article quoted me as saying. I am not going to say it was deliberate, because that would be unparliamentary. The minister has to explain. The minister tabled the newspaper article in the chamber and it is now part of the parliamentary record. She must be incompetent; there is no other explanation for why the Minister for Police was unable to read the three paragraphs that I just read out that appear immediately above the section of the article that she did read out. The minister has to explain why it was not deliberately misleading to leave out those three quotes.

Ms R. Saffioti: A dolphin would’ve got it right.

Mr W.J. JOHNSTON: As the member says, a dolphin would have been able to get it right.

I want to talk about a few other things. I was interested to read the article “Schools fear web link political” on page 5 of today’s *The West Australian*. I will read a couple of little bits out of that article about a memo from the WA Education Department director general —

The memo headed “public education budget infographic to be included on school websites”,

Later the article quotes Hon Peter Collier —

“Public school teachers, as employees of the State Government, should understand the record spending that is taking place in the Education budget,”

At the minute, out of the office of the Premier, as part of the marketing strategy for this budget, our schools are being directed to put political content on their websites. Imagine what would happen if the Labor Party ever dared to politicise the administration of schools. Imagine the hue and cry from the other side of the chamber if we ever dared to do that. The government is getting it wrong and it should not be doing it.

Also of interest in today’s paper, in the property section —

Ms M.M. Quirk: You’re a polymath.

Mr W.J. JOHNSTON: A polymath; very good. I am sure that is a compliment.

Ms M.M. Quirk: It is.

Dr K.D. Hames: A poly what?

The ACTING SPEAKER (Mr N.W. Morton): Thank you, members; let us just focus on the member for Cannington.

Mr W.J. JOHNSTON: I was happy to have the interjection; I was not worried.

The article by Kim MacDonald, under the headline “Property sector decries WA Budget”, states —

The Property Council has accused the Barnett Government of taking the “lazy way” to fix its Budget problem by slugging WA property owners with the second consecutive increase in land tax as well as putting up the CBD parking levy.

Later the article refers to Joe Lenzo, and states —

He said the Budget was disappointing, lacked vision and did nothing to make the tax system more fair.

“It is a bookkeeper’s budget for the short term that masks the structural faults in the State tax system on the government’s inability to reign in expenditure,” Mr Lenzo said.

This is the Property Council of Australia. These are the people who represent the largest property owners in Australia. This is the top of the tree in the property sector, and it highlights the simple fact that this government has brought a budget to us with no vision, no plan and no future.

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On a number of occasions the Treasurer and Minister for Energy—in both roles—and the Premier have referred to the sale of energy assets as one way that they will balance out the uncontrolled borrowings of this government. I would like to draw members' attention to a presentation that we were all invited to yesterday, arranged by the Public Accounts Committee, where the Department of Treasury presented to all members of Parliament on the details of the budget. It is done every year and it is a great presentation. I quote a slide presented to us yesterday —

CHANGING THE GOVERNMENT BUSINESS MODEL

- Managing debt through asset sales
 - key consideration: requirement for Government ownership
 - structured program, overseen by the Premier

The second dot point went on —

- Assets under consideration:
 - surplus hospital sites
 - Utah Point facility at Port Hedland Port
 - Kwinana Bulk Terminal
 - TAB
 - Perth Market Authority
 - wastewater assets

I am sure that members would have noticed a glaring omission from that list; that is, energy assets. When the Premier or Minister for Energy come into this chamber or go anywhere else and say that they are considering selling any of those assets, they are not telling the truth. At this stage there is no active consideration by the government of the sale of energy assets. Tomorrow they might change their minds, but the fact is that there is no active consideration of the sale of energy assets. When the Liberal Party deliberately allows kites to be flown in the media saying, “We are going to make \$10 billion to pay down debt from the sale of energy assets”, it is not being truthful.

[Member's time extended.]

Mr W.J. JOHNSTON: That is not possible. It is not possible technically, because there are no energy assets capable of being sold in Western Australia. The only energy asset that should be sold is the Muja AB power station, and the government cannot sell that because it is a dog and there is not a buyer in this country that will take that project on. All of the other energy assets, which are appropriately held by the state, are unable to be sold because there is now nearly \$2.5 billion over four years being tipped in as a subsidy. Until the government can get itself out of the mess that it finds itself in—I will come to that in a moment—none of those energy assets can be sold. That is why the Department of Treasury is not planning to sell any of them. The government has given instructions to the Department of Treasury about the assets it wants to sell, and energy assets are not on that list. If the minister, the Premier or anyone else says that they are going to sell those assets, they are not telling the truth.

In the budget speech, the Treasurer announced an electricity tariff review. This is really good, because the government has already done an electricity tariff review. The review was completed in September 2011 and sat on the then Minister for Energy Hon Peter Collier's desk from September 2011 until March 2013, when it was taken off his desk and put on the desk of the new Minister for Energy. After the election, I sought briefings from government agencies and asked the Public Utilities Office about the review and it told me that it was no longer a relevant piece of work. The government spent all of that money on a tariff review, which was completed two and a half years ago, was never publicly released and is now being junked so it can spend more money on a new review. Now that is efficiency! I am sure the Acting Speaker agrees.

Ms M.M. Quirk: Maybe it wasn't the right answer, member.

Mr W.J. JOHNSTON: Or maybe it was not asking the right question.

Dr K.D. Hames: You take her interjections.

Mr W.J. JOHNSTON: That is because I like her; she is nice.

I want to make a point about appendix 8 of budget paper No 3, on page 293, which is the table “General Government Revenue from Public Corporations” and compare the revenue of the energy utilities this year with

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that of last year. Taking the three years that overlap between the two budgets—the three out years from last year—and comparing them with the current financial year and the two forward years, which is the equivalent of three years, there is a \$190 million reduction in income to the general government sector from public corporations. That is a \$190 million reduction in the profitability of those organisations. Actually, the reduction in profitability is even higher because this is only the percentage that should return to the government through income tax expenses, local government rates expenses and the dividends. It therefore demonstrates that since the announcement of the re-merger of Verve Energy and Synergy, the electricity system is now \$190 million less profitable than it was before the re-merger of Verve and Synergy.

It is interesting to look at Synergy and compare it with the old Verve and Synergy combined. This year the government plans to take \$128.6 million out of the entity; last year the plan for this year was to take \$147.5 million. Next year the government says it will take \$116.4 million; in last year's budget the plan for next year was \$183.7 million. In 2016–17 it is planning to take \$88.6 million; last year it planned to take \$192.7 million for that same year. Therefore, after the re-merger the return to taxpayers will be halved in 2016–17.

I point out that the Premier on a number of occasions has said that the reason he wanted to bring these entities together was the bleeding of the dividends out of the companies; that these huge companies used to pay huge dividends and now they are not paying enough. What therefore is the actual result of the re-merger of Verve and Synergy? It is to halve the dividends in the out years. The basis therefore on which the government sold the idea of re-merging Verve and Synergy is a complete failure. The amount of subsidy over a four-year period has gone up by nearly \$1 billion since this time last year. Therefore, the amount with which the government is planning to subsidise the electricity system has increased by almost \$1 billion in 12 months, and the only decision of government that occurred in that period was the re-merger of Verve and Synergy. If the government is to be judged on what it said was the aim of the decision to re-merge Verve and Synergy, it can be seen only as a complete and utter abject failure. Another time, when I have more time, I will go through the reasons it has been such a failure. It is basically because the government has taken all the competitive pressure out of the system and allowed a cost-plus culture to return to the energy sector. That is not in the interests of taxpayers and the government needs to explain itself.

I also highlight that the government is planning to reduce capital expenditure on Western Power in 2015–16 and 2016–17 by almost \$100 million. It will be interesting to further explore that when we get to estimates. Also in estimates, we will look at what is happening with Horizon Power and some of the projects, particularly the temporary power project with a government-contracted company that went broke.

I want to turn to the royalties that are charged to the mineral sector. I will quote a couple of comments from an article in *Australia's Paydirt*, an industry magazine, referring to the royalty review. Mr Beament said —

“They’ve identified a hole in their Budget in 2016 of \$180 million and they are doing the review over all commodities,” Beament said.

“Any increase in the 2.5% royalty is a burden. We’re not in a position, especially with the current spot price, to carry that burden.

Later on the same gentleman said —

... as many as 1,500 jobs could be lost from the gold sector alone.

I also quote from the magazine —

The implication of that is there is a flow through to the broader economy; not just the gold sector, but the indirect sectors that support the gold sector. The analysis is a net negative impact in 2016–17 of about \$240 million.”

Another gentleman by the name of Eglinton said —

“Any project across the world is looked at by its economics and then the sovereign risk of the country it’s operating in,” he said.

“We’re going to look across all the projects we’ve got on our books and the economics is going to come up first. The delta of those projects is getting thinner, particularly as the orebodies get harder to find or the grades are lower. Given the thinness of that delta across all projects we will look at whether we can go into riskier countries and mitigate that risk and ask ourselves does that mitigation still make the economics pay out.”

There is another quote from the gentleman called Kelly, who said —

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“The impact is not only on current producers, but it’s also the confidence about the new projects seeking funding,” ...

We can see therefore that the mining industry is making it very clear that the royalty review, which is booking nearly \$600 million over three years, is a big negative.

The Gold Royalties Response Group put out a media release on 8 May under the heading “State Budget rings alarm bells for gold producers”, which stated —

“A rise in gold royalties will cause uncertainty and will be a significant disincentive to future local and foreign investment in capital, exploration and development in the State.

An independent analysis commissioned recently shows an increase in the royalty rate to 5% would reduce Western Australia Gross State Production by an initial \$110 million in 2015–2016 and \$240 million in 2015–2017. The industry estimates this could result in the loss of more than 1,500 jobs.

That is what the Liberal government is planning to do. Let us make it clear: the government has only a \$5 million pretend surplus next year; therefore, without \$180 million, it would be presenting a \$175 million deficit to the chamber for next year.

In the *Kalgoorlie Miner* of 9 May, Mr Kelly, who is the spokesperson for the Gold Royalties Response Group, said —

“Either Government has given the gold sector false assurances, or the new Budget is based on forecast revenue that won’t be realised,” spokesman Allan Kelly said, adding the gold sector employed almost 22,500 people in 2012–13.

It would be interesting for the Minister for Mines and Petroleum to tell us what assurances he has given the gold sector; and, if he has given those assurances, why is he still writing in the \$180 million?

Mr B.S. Wyatt: Someone else is paying!

Mr W.J. JOHNSTON: Maybe someone else is going to pay! I have been through the reasons why it must be the gold sector if we increase these royalties—nobody else has any money. Iron ore is excluded from this. That sector has already had changes. The *Mining Weekly* of 9 May 2014 states —

Treasurer Mike Nathan announced that royalty income would account for over 25% of the government’s revenue in 2017/18, up from only 5% in 2003/4.

I am not quite sure whether that is a good thing or a bad thing, but if he is trying to say that it is an unreliable source because the returns might go up or down, an increase in royalties on the gold sector will expose us more because some of the royalty revenue that we get out of the gold sector through the royalty review will end up being taken back by the GST system. So, the Treasurer will actually make our financial problems worse, not better. Again the article states —

The state government has previously admitted that a hike in the gold royalty was not aptly timed, but could still become a reality as the government scrounged for income.

It goes on again to quote Mr Kelly from the Gold Royalties Response Group —

“Gold producers’ margins have been seriously eroded by rising production costs and an 11% decrease in the gold price in the past year. Any increase in the gold royalty rate in Western Australia will be an extra impost the industry just couldn’t bear.”

Again quoting the article —

However he warned that with exploration expenditure falling in Western Australia, the state’s increased reliance on royalty income presented some risks to the budget forward estimates.

That is putting it mildly. We therefore have a government that is not properly responding to the challenges that it set out for itself. This is a deeply flawed budget. It does not delivery for the community and it will not be welcome in the community.

MS J. FARRER (Kimberley) [7.30 pm]: I rise to speak on the Appropriation (Consolidated Account) Recurrent 2014–15 Bill 2014 and the Appropriation (Consolidated Account) Capital 2014–15 Bill 2014. I take the opportunity to remind the Parliament about the Kimberley and its people. My electorate is twice the size of Victoria and very far away from where I stand right now.

The ACTING SPEAKER (Mr N.W. Morton): Members, if we could take our private conversations outside, please.

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Ms J. FARRER: Earlier on during the debate, a little bit of conversation was thrown around saying that we live on another planet. Sometimes I think that because we live in the Kimberley, we are so far away from Perth that we may be living in a different place. I sat there and took that in. In my electorate, Aboriginal people make up a large percentage of the population. Although my electorate seems far off in distance, I have noticed during their speeches the many similarities between the electorates of other members and mine. All Western Australians are doing it tough and suffering due to Barnett's broken promises on the delivery of infrastructure, roads, and better health outcomes and education. As members, we see people suffering due to the increases in the cost of living for things such as food, electricity, water, sewerage, motor vehicle charges and stamp duty, and the list goes on. Families are already doing it tough, and the Barnett government is making it worse. As we already know, electricity prices are set to rise seven per cent per year from 2014 to 2016. They have already increased by four per cent this year alone in addition to the 69 per cent increase in power bills since the Liberal–National government was elected in 2008. This is another broken promise from the Barnett government, which promised at the March 2013 election that electricity price increases would be at or around the rate of inflation. It is predicted that the average family will be \$344 a year poorer as a result of electricity price increases. Kimberley residents live in a monsoonal climate with warm temperatures all year round. People need to use fans and air conditioning to cool down. The current electricity costs are already hitting Kimberley families hard. Locals walk through my office doors in their masses, struggling to understand why their power bills have increased so drastically. They need relief urgently.

In 2010, public sector workers in the Kimberley, Pilbara, Karratha and Dampier celebrated an increase in their district allowance to account for the much higher cost of living in the north west. In this budget, we see a decrease in this allowance for those living in the Kimberley outside of Broome. The allowance will be cut from \$430 to \$277 per fortnight. I fear that this reduction in district allowance will see a dramatic decrease in the number of skilled workers in the Kimberley because they simply will not be able to keep up with the rising cost of living. We already have a high turnover of skilled workers in the Kimberley. It is always sad to see people who are active members of the community leave because they cannot afford to live in the Kimberley. We need to offer people an incentive to live and work in the Kimberley for the long term. People struggle as it is. Let us compare the metropolitan area and the Kimberley in terms of the price of food, fuel, bread, milk and fresh produce. My office will be advising everyone in my electorate to apply for financial hardship due to this government's careless budget cuts. The district allowance must not be reduced—this cut is completely unfair and unrealistic. Let us all remember that the next wave in this state's economy is coming from the north. How will this government provide people with an incentive to work and stay in the Kimberley? What will become of the northern Australia white paper? The local community has worked hard on the Broome boating facility for many years. This plan was supported and promised by the Barnett government in 2010, and was recommitted to by the Barnett government in 2013. I was devastated, shocked and disappointed for the Broome community when the government suddenly withdrew \$47 million from the project in December last year. This is a blow to not only local residents, but also local tourism. Since first raising this issue in Parliament, another proposal has been presented to this government. The new proposal is less expensive but will still greatly enhance boating facilities in Broome, and this has also been rejected. It seems that this government's philosophy is that if a community wants to have decent, quality service delivery, education, housing, and investment in tourism and recreation, the town must be moved to within a radius of 100 kilometres from the capital City of Perth, and everyone else gets forgotten.

The Kimberley tourism industry continues to suffer. Some of the decline of tourism is a result of the mishandling of the James Price Point project. The land acquisition and environmental approvals were hugely bungled by the Barnett government, and not just once. The management of the process was broadcast Australia-wide and internationally, which has really impacted upon the Broome tourism industry. We have also seen local businesses in Broome close due to the high costs associated with running a business in the Kimberley. I recently spoke at the Broome Chamber of Commerce and Industry's businesswomen's breakfast and heard firsthand about some of the struggles that small business owners are dealing with in Broome. Freight remains very expensive and adds a large cost for these small businesses that are struggling to stay afloat. The Buy Local policy is not being utilised as it was intended, and I call on the government to review this issue and how it specifically affects the Kimberley. Tony Proctor, the president of the Broome Chamber of Commerce and Industry, has estimated that between 20 and 30 businesses have closed since the decision on James Price Point was made by Woodside last year. People who had confidently invested in small business and property in Broome have now left town, selling at a loss, or have been forced into the position of having their property left vacant for a long time due to the reduction in demand for their business. The struggle for business owners was clearly demonstrated earlier this year when the North West Expo, an annual Broome event, was cancelled due to the heavy downturn in numbers. Locals had reported that they simply were not in a financial position to participate and that the number of businesses had dramatically decreased.

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The Barnett government promised in the 2013-14 budget that \$33.89 million would be allocated to the West Kimberley transitional housing project. The project aimed to facilitate Aboriginal tenants wishing to move from public housing to home ownership by giving them the opportunity to buy the property they were renting, yet only four months later the funding was axed. The program has been delayed by two years and will not commence until 2015 or 2016. The stripping of this project is a blow to Aboriginals in Broome and Derby. The project would have offered home ownership to 60 families and, in turn, would also have eased some pressure on the lengthy public housing wait lists. This mindless decision has angered many stakeholders and community members in the Kimberley.

Tax relief for first home buyers is disgraceful. Stamp duty on a \$500 000 and \$600 000 house is approximately \$18 000 and \$22 500 respectively. First home owners are exempt from stamp duty for houses up to the value of \$500 000, but they pay 22.5 per cent for every dollar greater than \$500 000. Therefore, a \$600 000 house will still cost \$22 500 in stamp duty. A modest three-bedroom house in Broome will cost \$600 000 and therefore even a first home buyer will still have to pay \$22 500 in stamp duty in my electorate. This is a major barrier to home ownership. I cannot stress strongly enough how damaging this is to the market and the new housing construction sector, particularly in the Kimberley region. I urge the government to raise the first home owner stamp duty threshold to \$600 000 and to apply this policy to the Kimberley.

Last night in the federal budget, we saw the Liberal government introduce a \$7 co-payment for GP services. The GP co-payment is beyond ridiculous. Essentially, it is putting people's lives at risk. Healthcare experts say that Australia is already one of the most expensive countries in the world for out-of-pocket doctor expenses. The Australian Medical Association has warned that people will delay seeking medical attention or avoid taking their medication, because it will cost more to do so. The government should be listening to this.

I live in the Kimberley and my family lives in the Kimberley. As members would know, a large number of people who live in the Kimberley are living below the poverty line, many in Third World conditions. GP co-payments will have adverse effects on public health, and Aboriginal people will be more vulnerable than ever. With the introduction of these co-payments, the federal Liberal government has shown that it does not take into consideration the health outcomes of Kimberley residents. Low income earners and Aboriginal people cannot afford to see a doctor.

Will people be able to pay for medical treatment using their Basics Card? Since they cannot pay for taxis with their Basics Card, will the hospitals provide transportation as the Aboriginal medical clinics do? Will the public health system be able to manage this influx of patient demand? Members should remember that it is not uncommon for 20 people to be living in one house in my electorate. This is not acceptable. Residents in my electorate will feel the full force of this cruelty. Not all Western Australians are lucky enough to live in Cottesloe, where they can open their windows and have the Fremantle Doctor drift through their house. Although this is a federal announcement, it is yet another example of the careless decisions made by Liberal governments. I ask the Liberal-National government what plans it has to deal with the unforeseen crisis that is inevitable in the Kimberley.

There are no new projects in my electorate, and the majority of projects that were promised have been axed or postponed by a number of years. This is simply not good enough. When will revitalisation be delivered to the Kimberley? What money will be spent on youth justice programs, such as the youth centre in Derby? What money will be spent on suicide awareness and prevention programs, such as Yiriman? What money will be spent on community-based early life trauma prevention programs, such as the Wyndham Early Learning Activity Centre? The answer to these questions is none—zero dollars will be allocated to where it is most needed.

The government should be ashamed of this budget, which does absolutely nothing to assist people living in regional areas or even attempt to improve the lives of these people—the most disadvantaged in our state—a large majority of whom live in my backyard.

MS W.M. DUNCAN (Kalgoorlie — Deputy Speaker) [7.42 pm]: I also welcome the opportunity to speak on the Appropriation (Consolidated Account) Recurrent 2014–15 Bill 2014 and the Appropriation (Consolidated Account) Capital 2014–15 Bill 2014. Before I start, I would like to take a moment to reflect on what has happened over the past few years. When I first started wandering around the back country as state president of the Nationals, and in the early days as a member for the Mining and Pastoral Region in the other place, I was hearing from people in and around the Kalgoorlie electorate such things as the Kalgoorlie Hospital needed upgrading; it was outdated and not big enough and they had been trying for years to get funding allocated. The funding was there, but always in the out years. I heard that Burt Street, Boulder, was dilapidated and in need of revitalisation. There needed to be short-term accommodation for Aboriginal people coming to town. The City of Kalgoorlie-Boulder had worked for years trying to find funding for that and had managed to get some funding from the federal government but nothing from the state. I heard that Prospect Lodge, as it was called back then, provided services for drug and alcohol rehabilitation in a property that was not fit for purpose and needed

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upgrading. The Royal Flying Doctor Service needed new planes and could have done with a jet to help get patients down from places like the Kimberley. The roof of the Goldfields Women's Healthcare Centre had fallen in and they could not find funding to replace it. Foodbank needed a new building. The Agricola Residential College, the student accommodation at the WA School of Mines, was built in 1970s and had no data facilities for the students, no air conditioning and very outdated kitchens and facilities. The sporting facilities in Kalgoorlie-Boulder needed rationalising and upgrading. Great Eastern Highway was dangerous and needed repair and maintenance. Childcare centres needed new floors, kitchen upgrades, information technology equipment and training for its workers. The crematorium needed an upgrade. Stage Left Theatre Company needed a building of its own. We needed mobile phone coverage on the Eyre Highway and in the Ngaanyatjarra lands and the black spot road area between Norseman and Kambalda. The Kalgoorlie-Boulder Urban Landcare Group wanted a new nursery to grow plants and regenerate the area around their town. The old Kalgoorlie post office was vacant and falling into disrepair, and there was a lot of concern about what was going to happen with this magnificent building. All of those issues have been dealt with since I have been around and working for the people of Kalgoorlie-Boulder. All of them, except for the Kalgoorlie post office, have had royalties for regions funding dedicated to them. I think that when we listen to the debate about what is happening to royalties for regions funding, particularly comments that the goldfields has missed out, members are a little disingenuous, because a lot has been achieved. There is always more to do, but when I look at this list of achievements, which is only the start, I see that royalties for regions has delivered magnificently to my electorate of Kalgoorlie.

With this budget I am really pleased to see that the country local government fund has reinstated the funding for 2012-13 projects in my electorate. That means that the Goldfields Volunteer Regional Organisation of Councils has \$3.3 million for its renewable energy project, the Shire of Coolgardie gets nearly \$478 000; and the City of Kalgoorlie-Boulder gets \$774 591 back; Laverton, \$419 889; Menzies, \$438 741, and Ngaanyatjaraku, \$601 676. All of those local governments now have that expenditure, thanks to the current Minister for Regional Development, Hon Terry Redman, going into bat for them. Many of them had genuine reasons that they could not fulfil their acquittal obligations under the 2012-13 country local government fund requirements. It is great to see that that funding has been replaced. Also, under the country local government fund, \$5 million has been allocated for the regional centres development plan, which I expect the City of Kalgoorlie-Boulder to benefit from.

There are many other aspects of royalties for regions that flow out into our regional areas and do not get the recognition that perhaps they deserve, such as the Country Age Pension Fuel Card that is going up by \$50 to \$550 a year for pensioners as an acknowledgement that they do not get free public transport. Now we have a volunteer fuel card, with \$2 000 towards the fuel costs of volunteer organisations in emergency services. I am really looking forward to seeing that rolled out, which will make a difference in my electorate, as well as community pool revitalisation funding worth \$3.3 million in this financial year and \$13.2 million over the next four years. That program will see \$30 000 go to each aquatic centre that local governments manage for upgrading, maintenance and training, and will make a huge difference. Also, there will be funding for visitors' centres.

It is good, too, to see that the goldfields emergency telehealth program is still being rolled out. It has made a huge difference in places like Laverton, and I will come back to that in a while. Of course, most exciting for us in the electorate of Kalgoorlie is to at last see goldfield-Esperance revitalisation starting to roll out with \$5 million allocated this financial year and, of course, \$4 million to commence the upgrade of the Kalgoorlie-Boulder Community School. We will see funding for the Great Eastern Highway passing lanes next year, 2015-16, from royalties for regions, but the really exciting news is that this year \$61 million is coming jointly from the federal government and consolidated revenue to upgrade that very dangerous piece of highway between Walgoolan and Southern Cross. The subject of a lot of debate and promises during the last election campaign was the Goldfields Art Centre, and \$5 million will be going towards its upgrade.

Also \$2.7 million is being allocated to the PortLink project and I would like to take a few moments to talk about that project. There is a vision for Kalgoorlie-Boulder to become a transport, freight and logistics hub with a link to the north and through to the Pilbara. The former federal member for O'Connor Tony Crook brought representatives of the Gillard government to look at this proposal. Those representatives included Prime Minister Gillard—the first time a Prime Minister had been to the area for some time—Anthony Albanese and Michael Deegan from Infrastructure Australia, and they were all very convinced of the worth of this project. Subsequently, Warren Truss, the current federal Minister for Regional Development and Infrastructure and Leader of the Nationals federally, visited Kalgoorlie-Boulder to look at this project, and he is also very impressed with the potential of the project to solve some of the problems of freight and heavy transport in Perth. It is interesting to see in this budget a focus on the freight strategy, the extension of Roe 8 and funding going into the Brand Highway. I have heard the member for Swan Hills and the member for Fremantle talking about the large amount of heavy freight that comes into the metropolitan area. That could be greatly reduced if that freight

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turned right at Kalgoorlie instead of left. Freight transporting companies are convinced of the worth of this project. This financial year \$2.7 million royalties for regions funding has been allocated for regions to continue further planning studies, but I have learnt in my discussions with the federal Minister for Transport and Infrastructure that he loves the project, but he has said that the state government does not even have it on the radar. I have asked the new state Minister for Transport, Dean Nalder, to meet with some of the key people committed to the PortLink project. We believe that if we get the transport link from Wiluna through to the Great Northern Highway, a lot of the rest of the development of the transport hub in Kalgoorlie–Boulder will happen as a matter of course with private enterprise, which is already positioning itself to take advantage of this possibility.

Another matter that has had a bit of coverage in the media is Laverton Hospital. I first wrote to the Minister for Health on this matter on 23 August 2010. Subsequently, in 2012, we submitted a petition which was signed by not only the residents of Laverton but also a lot of people who live and work in and around that town. In fact, somewhere between 4 000 and 6 000 people work in mines within a radius of 50 kilometres of Laverton. The Laverton Hospital is due for refurbishment. A briefing note that describes the hospital as being outdated states —

The facility was built in 1973, primarily constructed of asbestos and iron, and is out of date which greatly limits the services that can be provided.

There is nowhere for staff to take respite. If an ambulance is called, the person being dispatched to the ambulance has to be wheeled through the waiting area for emergency and out through where the seniors come for home and community care activities and out through the back door because ambulances cannot take patients on board through the emergency area. The HACC clients have to share a bathroom with patients in the hospital. There is a small conference room that is totally unsatisfactory for telemedicine and teleconferencing. I received a letter from the Minister for Health, whom I am glad to see in the chamber this evening, dated 5 November 2012, which states —

WACHS supports the replacement of Laverton Hospital with a contemporary and suitable multipurpose health facility and is preparing a Business Case for the replacement of Laverton Hospital.

Unfortunately, there is no funding for Laverton Hospital. In fact, when I discussed the matter with the Minister for Health last week he said he believed that the Minister for Regional Development should find the funding for Laverton Hospital. I place on the record my belief that, in fact, the Department of Health is responsible for its assets and it should replace and upgrade those assets according to its assets maintenance and replacement schedule, which I am sure it has, and that if royalties for regions is going to assist with the Laverton Hospital, then it should be to augment what the health department is going to provide, as it has done in the upgrade of Kalgoorlie hospital. Royalties for regions has already provided telehealth services into Laverton Hospital, which has made a huge difference and certainly helped out in some emergency situations, but it is the Minister for Health who really needs to fund that hospital.

The other issue I would like to raise is the provision of a step-up, step-down mental health facility in association with the Kalgoorlie Regional Hospital. Ward A of the Kalgoorlie hospital is the only authorised unit in Australia that does not have an associated transitional accommodation facility. That is like having an emergency department without the general hospital attached. In the 2012–13 budget, funding was allocated in a line item described as “Provision of Sub-Acute Service in the Goldfields–Esperance region”—\$1 238 000 in 2014–15 and \$1 288 000 in 2015–16—yet in the budget just handed down that has disappeared from the budget documents. A little line on page 385 says, “Further planning work for services in the Goldfields, Bunbury and Karratha is underway”. We need to look at this seriously. It has been decided that the Kalgoorlie Regional Hospital is a hub for mental health services, but when people are delivered to the hospital, sometimes from distant areas, say from Esperance or the Ngaanyatjarra lands, they have nowhere to go before or after going into treatment, and that results in difficulties in accommodation and transport. I often see people in my electorate office with mental health issues who find themselves out on the street after being discharged from the mental health unit because they have nowhere to go and no way to get home. Another matter I draw attention to this evening is the thirty-fifth report handed down in the other place by the Standing Committee on Environment and Public Affairs, “Inquiry into the Sandalwood Industry in Western Australia”. I would really like to place on record my desire to see action on those recommendations as soon as possible. This inquiry started under the previous government in March 2012 as a result of a petition that I tabled in the other place at that time. The inquiry has already achieved an incredible amount by starting to focus the attention of the police on this industry. Since a spotlight has been shown on the lack of interest in dealing with the illegal sandalwood harvesting, the police have decided to take action—in fact, arrests have been made of people in possession of Sandalwood over the value of \$2 million. In fact, the police have charged these people under the Criminal Code, which means that there are far more acceptable or suitable penalties compared with the penalties under the Sandalwood Act, which has provisions to

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fine people only \$200. While this inquiry has been taking place, the sandalwood industry has been in limbo since March 2012.

[Member's time extended.]

Ms W.M. DUNCAN: I implore the ministers responsible—the Minister for Environment and the Minister for Forestry—to act quickly on the recommendations of this report, and in particular to streamline and sort out the contract and tender process so that these people who depend on their income in these remote locations can get on with it.

One of the things I noted in the report is that one of the representatives of WA Police said that they would prefer not to be involved in policing this industry; they do not want to detract from robberies or crimes of violence. The role of the police is to enforce legislation that is passed in this house. There is a recommendation in the report that wildlife officers have powers of arrest. I have concerns about that. It is good to see the police taking an interest in this, and I think they should continue to do so.

Other recommendations in this report are that, for instance, the sandalwood industry should be managed by a single agency and that there should be a review into how the sale of sandalwood, particularly the support that has been given to sandalwood processing, is dealt with. I really look forward to seeing the recommendations of this report implemented.

I would like to use this report on the sandalwood industry as an example of how shining the spotlight on an issue such as this can make a difference and perhaps suggest that the same committee turn its attention to the issue of rural crime and stock theft. I went bush on Mother's Day last weekend, which is probably what I wanted to do more than anything else in the world! I was driving along a road on a pastoral property north east of Kalgoorlie and came across a carcass of a young beast in the middle of the road. It had a rope around its neck and forelegs. It was lying in the middle of the road, decomposing. Its eyes had been pecked out by the crows. Its ears had been cut off by whoever left it in that state. Surprise, surprise, it had only three legs. This beast belonged to the local pastoralist but somebody had decided to go out on the weekend and help themselves to a haunch of beef and leave the carcass lying in the middle of the road, going to waste. I only hope that the animal was dead when the leg was removed. It is certainly not an isolated incident. I know that the pastoralists in the pastoral areas who have come to me have said that nobody cares. They report these incidents to the police, who say that they cannot do anything about it. Pastoralists report truckloads of cattle coming out of that region, and no action is taken. Not only that, but some pastoralists, in an endeavour to make their businesses more efficient, have moved on to using solar-powered electric fencing and electric pumps on their properties, and they are stolen. The pastoralist that I was talking to has had to stop using electric fencing because he cannot keep a solar-powered unit without it being stolen. Their solar pumps are stolen. It would be good to see a focus on this. Just looking at some of the statistics, theft in the agricultural regions, in particular the pastoral industry, is to the value of millions of dollars. Under the previous government, the stock theft unit was disbanded. This government set up the rural crime unit, which has six officers from the Department of Agriculture and Food. We do not see them in the pastoral areas. There are enough challenges for people in the pastoral industry, particularly with the plague of wild dogs. Many of them have had to move from small stock because they have been decimated by the wild dog plague out there. It is impossible to manage cattle unless they have electric fencing or upgraded fencing. I think that is the next area of inquiry for a committee such as the Standing Committee on Environment and Public Affairs. That seems to be the only way to get the police to take those sorts of things seriously.

I appreciate the opportunity to raise these matters in Parliament and look forward to talking to the ministers about them in time.

MR J.R. QUIGLEY (Butler) [8.07 pm]: I take this opportunity to get to my feet on behalf of my constituents to raise their voice of protest in this chamber about the 2014 state budget. In a moment I will come to my contention of broken election promises to the state of Western Australia, but in relation to the electorate of Butler, that is not really my complaint because the government did not promise Butler anything in the first place. Geographically, it is the largest metropolitan seat and the largest metropolitan electoral district represented in this chamber.

Mr J.M. Francis: How many square metres have you got?

Mr J.R. QUIGLEY: I do not know it by square metres but I know it by time travelled. It takes 50 minutes to travel from Banksia Grove to Two Rocks, which is a long way. I do not want to get deflected into that area. We just have to look at the map to see that it is the largest electorate in the metropolitan area. It is also the fastest growing area in the metropolitan area. That brings with it the demand for infrastructure, which is not in this budget.

Mr J.H.D. Day: You are getting a new train line.

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Mr J.R. QUIGLEY: Yes, the train line will be opening. I will just mention the train line for a moment. It is seven kilometres from Clarkson. That project was planned and started under Labor. It was cancelled under the Liberals and then taken up again. The point I would like to reflect on about the train line, seeing as it was raised by the Leader of the House—this is not lost on anyone in Butler—is that it has taken six and a half years to lay seven kilometres of track. At this rate, a train line to Yanchep will be my great-grandchildren's experience—nothing to do with anyone alive today.

All the people in Butler are aware of what the government did. After cancelling the Butler line, it then re-visited this question after I saw the Premier. He acknowledged my entreaties to him in this chamber by saying that I was the only member of the opposition who came and put an argument for public transport to him. The government then reinstituted the train line, as members know, but it cancelled the major station where the Public Transport Authority owned the land for a decent sized car park and bypassed the Butler station, which was to be at the head of Lukin Drive. It has opted to build just the siding station—the walk on, walk off station—at Brighton, where the PTA owns no land for a car park, and has leased some land off the Satterley Property Group for 10 years for a temporary car park. No-one knows what will happen in 10 years but at some point there will have to be a retrofitting of the large station down the road.

The other infrastructure, of course, is the freeway that was promised as part of the 2000 election campaign. This budget confirms the bad news that was broken to the community immediately after the government's re-election—that is, the funding for the freeway would be pushed right back to the end of this Parliament and the freeway would not be completed in this term of government. This has left the people of my electorate with only two ways out of the electorate, including going down Wanneroo Road. As the government knows, the City of Wanneroo has been pleading for the dualling of Wanneroo Road south of Hester Avenue down towards Flynn Drive. There is not a lot of dualling to go there. This is a very, very dangerous section of Wanneroo Road that is now inundated with traffic. Similarly, in parallel to Wanneroo Road, but some four or five kilometres to the west, is Marmion Avenue, which was pre-funded by the developers and not paid for by the government. It is a single carriageway from Brighton to Yanchep. I am sure not many members would travel out to the northern reaches of my electorate and very few would do so during peak-hour traffic, but the condition now on Marmion Avenue from Alkimos up is diabolical with one lane either way. With the amount of development that has gone on in the area, we are very disappointed there is no funding in this budget to dual Marmion Avenue as it very desperately needs to be dualled all the way through to Yanchep. There are two roads that are desperate for investment.

The Treasurer talked about the availability of reasonably costed housing lots. A lot of land in the north of my electorate is coming onto the market and the cheapest of that will be in the Yanchep area because of the buy-in price of the Tokyu Corporation and the family of Mr Gin Wah Ang. They bought way before prices peaked in Perth and they have been in a position to sell land to developers for development at about \$400 000 a hectare. A bit further south, in Alkimos where the public companies have moved in to joint venture with the landowners, the buy-in price was about \$1 million per hectare. There we have it; about 40 kilometres north of Perth small housing lots are selling for half a million dollars on the ocean side of Marmion Avenue because the starting price of the developers that set up these new suburbs was such a high buy-in price. We need further infrastructure desperately. This government has sort of lost its way in many respects because it traded on its pride and upon the Liberal brand that it will look after small business and it will always look after the books better than Labor. By repeating that mantra over and over, it induced the community to trust it that it would be a good manager of the economy. We now know that in Western Australia the Liberals stand for borrow and spend. When the Treasurer was interjecting on the shadow Treasurer's response to the budget speech, what did he say? He said that we are borrowing and spending because the population want these things. The government is leaving us a legacy of a mountain of debt. I just do not know how we will get any new infrastructure into the electorate of Butler before the next election. I just do not know how this will be achieved.

I am talking about basic infrastructure and not the equivalent of Elizabeth Quay or football stadiums. Someone driving north along Marmion Avenue where we are putting in all these families will see the problem. I have said it before in this chamber and I will say it again: on behalf my electorate I beg—it is almost humiliating—for eight bus shelters. On this great big stretch of road heading up to Yanchep the children have to come out and be transported to schools, such as Butler College or Quinns Baptist College and there is no shelter for them. It is not like in the inner suburbs where there are gum trees or a shop to shelter behind. This road goes through coastal heath country. There is a spanking south west prevailing wind and when the rain comes, it is very tough for these kids out there and for the parents. They cannot have their kids catch the bus; they must drive them and take the risk out on the road. We would not think that my job as the member for Butler and the shadow Attorney General is to come to this chamber and humbly beg for eight bus shelters for the children. We get nowhere. I was hoping to see in this budget—this is not only teacher cuts here—the restoration of the \$10 million chopped out of the allocation for the refurbishment of the Yanchep District High School. I have spoken of this school before. This

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school opened in about 1977. It was built for a village called Yanchep. It was to run to year 10, and now it has been overwhelmed because of all the development. There are 900 kiddies on premises that were built in the 1970s. The government came long, not as part of its election promise—it got in early whilst there was still room in the media—and in November leading up to the election announced that it would spend \$10 million on the school to bring it up to some sort of standard. It said it would put in two science rooms, a tech drawing room and some change rooms for the kids so they did not have to change in the toilets. This was not building the Taj Mahal out there; this was giving the children basic facilities. The next school is kilometres to the south, Butler College. However, the government got re-elected on its claim that it was out there spending \$10 million; it said it was not an election promise and that it was allocated government funds. Sneakily, in the June after the election—we only found out through a leak through the school council—the government chopped the whole \$10 million out of the school's allocation. To add insult to injury, the government then chopped out another \$364 000 in the education cuts. We lost \$10 364 000. I was hoping this august document, the budget of Western Australia for 2014, would restore some of those funds to give some of these families out there some hope about the education fund—not a zack. That gives away my age—not 5c.

Mr D.J. Kelly: They've all gone back to reading their notes, member. They are a bit embarrassed about that story, I think.

Mr J.R. QUIGLEY: Yes, they should be. The next thing is facilities for the families out there. This comes straight back onto the Minister for Planning because I have asked my party to book in a grievance with him on 12 June and he is present in the chamber tonight, so I give him plenty of notice. This goes back to the City of Wanneroo's efforts to deliver sporting grounds into this electorate. The Mayor of Wanneroo, Tracey Roberts, has been to see the government several times, saying that under community development funding the funds are not allowed to be applied for the purpose of regional playing grounds. They can be applied for the purposes of district playing fields, but not of regional playing fields. No space has been set aside for any regional playing fields on that whole northern stretch. There was a crisis meeting of all the sporting clubs that was attended by Mayor Tracey Roberts, who is a good, diligent and hardworking mayor. I do not know what her politics are and, quite frankly, I do not care. She is working hard for the community. I know she has said to the government, "We have to earmark and set aside for purchase some regional playing fields, because we are moving this big population in there. What are these kids to become—graffiti artists? Are they to become clients of the Western Australian police force? Are they all to become the recipients of antisocial behaviour orders or are we going to give the families the facilities that might be expected in any other suburb that is closer in?" My father, who was on war service, bought a house in Nedlands, so my recollections are of the Esplanade on the Nedlands foreshore. We used to play footy at Melvista Park half a kilometre back from the foreshore, and when we wanted to play the other team, we got on our bikes to ride over to Dalkeith Oval, which was about four or five kilometres away.

Mr J.H.D. Day: And you probably stopped at Steve's on the way, did you?

Mr J.R. QUIGLEY: No; Steve's was where we started, but there was the Continental Hotel in Victoria Avenue, which members would not remember. The Conti was a favourite spot. Just behind the Continental Hotel, there was College Park. What I am trying to say is that there were lots of things to engage the children in the area. Members can go out to Trinity, Amberton and Eglinton and look for the facilities where children can play sport, but they are not there. Tracey Roberts, the mayor, explained to all the sporting clubs that they cannot go on recruiting and accepting members into their clubs as the council does not have the parks to facilitate it. Someone wanted to start a senior Aussie Rules club for blokes over the age of 25, but they could not do it because the council cannot lease the club any grounds. It is just dreadful. I have put the Minister for Planning on notice about 12 June because a time bomb is also ticking. I will explain this to other members, as the minister is very familiar with the problem. The City of Wanneroo approached one of the developers and asked it to sell it some land for district open spaces, because community development funds could be used for that purpose, and the developer said yes. The city then asked the developer whether it would do all the development—about \$3.48 million worth of oval development. The developer, the Tokyu Corporation, said that it would do that. I will not go into the detail of the history, but a deed had to be struck between the city and the developer to allow that to happen, and the developer would be paid probably in 10 years when the development fund built up and allowed the city to have the money to pay the developer. There is no money in this budget for playing fields in Butler—none.

[Member's time extended.]

Mr J.R. QUIGLEY: This was a way of delivering these crucial facilities to the families out there. The deed said that it had to be approved by the Western Australian Planning Commission by 6 January 2015. I know that Mayor Tracey Roberts brought it to the attention of the minister 12 months ago in June, and that is why I will wait until June to raise my grievance. I know that a certain city planner, whom I will not name, has been telling councils, "Don't worry; it's not going to get through the Planning Commission." The same city planner tried to sink the whole project at its inception. The only reason the project has been saved is the good work of

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Mayor Tracey Roberts and the then chairman of the audit committee, Mr Ian Goodenough, who is now the federal member for Moore. Mr Goodenough moved the rescission motion and got this project back on track. I will raise this matter in a grievance on 12 June, but I am giving the minister plenty of warning during this debate so that he has time to look at it.

Mr J.H.D. Day: I agree it is an important issue. It has been raised with me recently by not only you, but also the member for Wanneroo and the City of Wanneroo. I have asked the Department of Planning to try to get it finalised ASAP.

Mr J.R. QUIGLEY: That is where we are up to with that. That aside, that is our last hope for new sporting facilities in the electorate. It is crucial for us.

Mr T.K. Waldron: Member, there are the two senior playing fields at the Yanchep active open space.

Mr J.R. QUIGLEY: That is what we are talking about. It is also very important for the Minister for Sport and Recreation, because there is a grant of about \$950 000 that we are all worried about.

Mr T.K. Waldron: It is \$975 000.

Mr J.R. QUIGLEY: If this does not get approved by January, we are all worried that the \$975 000 grant will go west and we will all be shipwrecked out there. Perhaps I will move on from that, because I will raise that with the minister in a grievance. I think the mayor and the developer will be in Parliament on that day to hear it.

There is another area of the budget that worries me. I look forward to the debate on mandatory sentencing for home burglary. We all know the Labor position on that issue; we will not oppose that legislation, because clearly the government got a mandate from the community on it. During that debate, I will, however, explain to Parliament, and hopefully to the community, how in the course of getting that mandate, the government lied to the community about what is happening in the courts. I am not just saying that it misrepresented what is happening in the courts; it lied to the community. But that is a debate for another day, and I look forward to having that debate after estimates is over and we return to that bill.

I know that last evening the member for Warnbro went through at some length what the cost of mandatory sentencing will be within the prison system and how many extra beds will be required. It comes to about \$90 million on a recurrent basis. It costs \$100 000 a year to keep someone in prison. What is of concern is that I know from my 25 years' experience in law as a defence counsel that there is no doubt that when offenders are faced with the prospect of a mandatory term—for some offences it will be 15 years; for other offences, it will be about eight and a half or 10 years—they will not plead guilty. No offender will plead guilty knowing that it is not going to make any difference whether he pleads guilty or not guilty; he will get the same mandatory term. This will inevitably mean a huge extra workload on the police and the court system. I do not see any moneys provided in this budget for the expected increase in the number of criminal trials at the Supreme and District Courts. They are very expensive affairs. One case that was cited by the honourable Minister for Police was about a 78-year-old woman who was burgled and sexually assaulted. I will not go into the details of the sexual assault. The offender received 11 years, but the offender pleaded guilty. If the offender had taken the other option of pleading not guilty, that matter would have been hanging around for two years until the 78-year-old woman was 80. During that period, she would have had to have been interviewed and re-interviewed on several occasions by the police to go through the horrendous events again. The cost to the police of preparing for a defendant matter is very large. There is no provision in this budget for the expected increase. After the police have finished with that process and the person is sent to the Supreme Court, the Director of Public Prosecutions has to get the elderly woman in again at least on one occasion, but probably on several occasions, to prepare her for cross-examination about the most sordid, horrible details of her experience. All of this adds significantly to the load upon police, the Director of Public Prosecutions and the courts. The member for Darling Range, the leader of government business who represents the Attorney General in this house, introduced to this chamber, when he was seated about three seats to his right, a bill that this Parliament passed into law. It was a Liberal government bill that legislated if a person pleaded guilty to an offence, there would be a mandated 25 per cent reduction. The leader of government business is nodding in recognition of that bill that he second read into this chamber. The opposition agreed with it, and it passed through here in about half an hour. In his second reading speech, which was the Attorney General's speech from the other place—I am not trying to put the leader of government business down—he said that one of several great benefits to people pleading guilty is that it reduces significantly the costs on the police service and on the DPP, and it significantly reduces the court costs which are thousands and thousands of dollars. Fair enough; the government said in relation to these offences, "Even though we said that last year, now we are throwing that all out the window. That will not apply anymore." That is a policy consideration. It then has to gird itself for the extra expense to do it, which is before the extra imprisonment expense.

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I will deal for a moment with this whole question of home burglaries and mandatory sentencing. I reiterate: the Labor Party will not oppose this. We respect the people's mandate and we respect the people's will, but we also have to address the big issues behind this. The Minister for Police, and Hon Peter Katsambanis from the other place, attended a forum in Merriwa the other night. Some people I know also attended. There were about 10 people in attendance, but it was a rainy night—be that as it may. It was said at the forum that the answer to all these home burglaries in Merriwa will be found in mandatory sentencing. The real issue, which is a very important one, according to an audit on government services is that there were 27 000 burglaries in Western Australia for the 2012 year. Of those 27 000 burglaries, a small proportion of them were aggravated home burglaries—a serious offence that attracts a mandatory term of imprisonment. That was a very small proportion of those 27 000 burglaries. At the moment the capture or clearance rate—or as the lingo now is, the sanction rate—has slumped from 22 per cent of offenders being brought to book to now 8.3 per cent in the metro area. The Minister for Police hisses at me in the chamber, “Do you realise, member, there were 1 800 burglaries last year in Butler?” I do not know why she would make such a boast of defeat. I do not know why she would so loudly boast of defeat, because of her inaction and incompetence. There were 1 800 burglaries, so on the figure from the audit into government services, that means less than 180 of those offenders actually front court. That is less than 180—180 would be 10 per cent. It is down to about 170-odd of the 1 800 who actually face sanction. People are not fooled—only a small proportion of those 170-odd offenders will face mandatory sentencing. Most offences are offences of opportunity, for example offenders entering houses that are unoccupied and forcing their way in—like they did at the Quigley household; we were not spared—and taking mobiles and wallets and everything else. When we doorknock, that is the experience. The only way to deal with that is to increase the likelihood of capture. Do members know that there is only an 8.3 per cent clearance rate in the metropolitan area? That has to be raised to back up above 20 per cent. The government would ideally like to get it up to one in two, up to 50 per cent, but the only way it can do that is by putting extra police out there. When I look at this budget, there is no money. There is a six per cent increase to the agency but when we take in the pay rise that is to come and the increase in population, there is no increase. There is certainly no increase in the electorate of Butler where police have huge, long areas to patrol. A lot of houses a lot of the time are vacant because people have to go to work. We want Clarkson to be made a district policing hub, a hub of policing activity—not this remote control.

The last thing I would like to mention is of course the increases that we were told would not exceed the inflation rate and would not exceed the cost-of-living increases but have jumped ahead of the inflation rate badly, taking another \$324 from each family in my electorate. On top of that, what the Premier called the “gold coin donation” at train stations is about to start too—that is \$2 a day, \$10 a week, \$500 a year, totalling \$824.

MR D.J. KELLY (Bassendean) [8.37 pm]: I rise to make my contribution to the debate on the Appropriation (Consolidated Account) Recurrent 2014–15 Bill 2014 and the Appropriation (Consolidated Account) Capital 2014–15 Bill 2014. It is always a bit disappointing to get on your feet at 8.30 in the evening, but I have to say I enjoyed the member for Butler's contribution, particularly his remarks at the end of his speech about mandatory sentencing. I do not think anyone in the chamber is more qualified to comment on the effects of that legislation than he is. I certainly look forward to members of the government explaining to the house where in the budget there will be the additional resources to cope with the increase in the number of trials that we will face and the increased levels of incarceration that will flow. Although I would have liked to have spoken earlier in the day, I enjoyed and appreciated the contribution made by the member for Butler.

I will start by making a few general comments on the budget. This budget is really another chapter in what has been a 12-month explanation about just how much of a con the Liberal Party's fully costed, fully funded promise was at the last election. The government was elected saying it had it all under control, that its plans were fully costed and fully funded and it would be able to roll them out. It would be able to do everything it said it would do and at the same time it would have state debt under control. The state's finances would be in safe hands. We now know how much of a lie that was. Ever since the Barnett government was re-elected, it has backed away from commitment after commitment. This budget is another chapter in that lie that was put to the Western Australian public.

I cannot really discuss this budget without at least mentioning in passing the federal budget that was handed down yesterday. The Prime Minister made famous comments that he wanted to be a government just like the government in Western Australia, the government of Colin Barnett. Unfortunately, when we look at what he has done in this budget, he has become just like the Premier here. Our Prime Minister has walked away from probably more commitments that he made prior to the election than our Premier made. The Prime Minister, Mr Abbott, said before the election that there would be no cuts to pensions, no cuts to health and no cuts to education. The catch-all was that there would be no surprises. We now know that he will cut the indexation for pensions. When I first heard about the amount that he will take out of health and education, I heard it as \$80 million and thought, “Geez, that's a bit terrible.” But then I realised that it is \$80 billion over the next 10

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years that the federal government will take out of education and health. This is from the Prime Minister who said that there would be no cuts to health and no cuts to education. Certainly that was a surprise. Given that he has walked away from commitment after commitment only months after he was elected, he really has taken what he said literally: that he wants to lead a government just like the government here in Western Australia, the government of Colin Barnett—and he has done that. He has walked away from commitment after commitment, but he has had a great role model to follow in our Premier here in Western Australia, who in two budgets has systematically walked away from commitments that he made prior to the 2013 election.

The member for Butler in closing his speech mentioned electricity prices. I knew when the Premier said in the debate that he would maintain electricity price rises at or about the rate of inflation that he was trying to give people the impression it meant that electricity prices would rise with the consumer price index and no more. That is what he was trying to do. That is what he wanted people to hear. But we could tell from the language he used that he had no intention of keeping electricity prices at the level of the rate of inflation. For two budgets now they have increased significantly above the rate of inflation. I just want to let members know that it is hurting people.

We have a financial counselling service in Lockridge called Blue Sky Community Group. The counsellors there do an incredible amount of work in very difficult circumstances. People who come to them wanting financial counselling have to wait for weeks to get it. And when they finally get an appointment, they find these days that there are not just people on benefits who are struggling, but also people who are employed and often who have bought a house recently who just cannot pay their bills. So, they come to see Blue Sky hoping to see some light at the end of the tunnel and to get some help to meet all their utility bills. However, they are often in the position of having to advise these people, “We can’t help you. There’s no way that you can meet all your commitments. Which would you like to keep on, your water or your electricity?” Most people in those circumstances choose electricity; but what a terrible choice for people to have to make. The government says, “That’s okay, we’ve got the HUGS program to assist people.” In this budget the government has had to allocate an additional \$7.8 million to that program to take it up to \$11.9 million. It is a massive jump in the hardship utility grant scheme, which just shows how many people are finding it really difficult to pay their bills, such as electricity bills. The government says, “It doesn’t matter, they can go to the HUGS program.” It is very difficult for people who have never sought assistance, who have a job, who are buying a house and who are raising a family to all of a sudden realise, “I’m now someone who can’t meet my bills. I’m going to have to go cap in hand to government or a welfare agency and ask for help.” It is very difficult. People on the other side might think that it does not matter if the number of people who access HUGS goes through the roof. It does actually matter to those people, because it takes away a little bit of the dignity that those people have because they realise that they can no longer cope themselves.

Of course the government has done the same with water. I think over the last seven years the government put up water prices by 90 per cent—a 90 per cent increase in water charges. That is an incredible increase—an absolutely incredible increase. At the same time the government has actually reduced household water-saving programs, certainly in the metropolitan area. There is the Fresh Water Thinking Program. When people get past the glossy advertisements and go to the website to find assistance for reducing water consumption at home, they find that there is almost nothing—that is, unless people want a pool cover or a rainwater tank. Most people who are on the bones of their backside are not looking to buy a pool cover or a rainwater tank. Unless they are in the market for one of those, there is actually very little household water-saving assistance for people in the metropolitan areas.

These cost of living increases—bus fare increases, train fare increases, parking at train station increases—are all hurting people in the community. The government may be right that some people can afford to absorb these costs but a lot of people in our community cannot, and this government really has no plan to deal with them.

While I am on the area of water, I want to say a little about the asset sale program that the state government has talked about as a way of dealing with the massive mountain of state debt that this government is chalking up. Some of the assets that have been talked about are in the water area. The Premier has talked about desalination plants and wastewater treatment plants. The first thing I want to say is that the government is not thinking about selling either of these classes of water assets because it is in the best interests of the Water Corporation and its service delivery. It is not in the best interests of customers and it is not in the best interests of water security—none of that. If that were the case, the government would have been considering it before. The government is doing this only because, as the Treasurer said, it has maxed out the credit card and it is looking to sell things of value to try to regain control of the credit card. That is the first point: the government is not doing it because it is in the best interests of the Water Corporation or service delivery.

The second thing is that there are two types of asset sales. One is where the government is selling something that is surplus to requirement. If there is an extra bit of land or a building that the government does not need any

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more, it can just sell it off and recover the capital. That is not the case with the assets owned by the Water Corporation. The government does not have an extra desal plant or an extra wastewater treatment plant that it does not need. If the government sells these assets, it will have to buy back the services they provide. That is very different from selling something the government does not need.

The Premier said in this house that he did not think that people cared about who owns their wastewater treatment plants. I think that was a pretty glib comment. The public are very suspicious when governments privatise things that ultimately their costs will rise. I think that is what people think. I think people are very suspicious of privatisation. Secondly, people understand that wastewater treatment plants do not do their work for free. People pay in their annual water bills for what wastewater treatment plants do. No private company will buy a wastewater treatment plant without getting a return. A company will want a return higher than the return that the Water Corporation as the Water Corporation has lower borrowing costs because it is a government corporation and for a range of reasons it gets a lower return or it is able to recover a lower return on its assets. Once that is in private hands, a private company is going to have higher borrowing costs and a higher expectation of a return to shareholders. That will mean higher wastewater and sewerage and drainage costs. Every time people go to the toilet, it will cost them more. People will figure that out. If the government sells the wastewater treatment plants, people will ask the question: will my sewerage and drainage costs go up? If this government is honest, the answer is that they will. The Premier might glibly say that no-one cares who owns the wastewater treatment plants. People are very suspicious of privatisation and sceptical there will be any benefits flowing to them. People will pretty quickly realise that the chances are that their sewerage and drainage fees will go up once those wastewater treatment plants are placed in private hands.

The desalination plants are not mentioned in the budget, so I will not spend a lot of time on them, but I understand that they have not been ruled out for privatisation. Those desal plants have delivered water security to the metropolitan area. We live in an incredibly dry part of the planet. The desal plant scheme was initiated by a Labor government so that at least the metropolitan area could have water security. People will be very concerned if the government decides to place those assets into private hands.

I want to say something about one of my other portfolio areas, because I have to comment on the fiasco that has been the shark cull here in Western Australia. Nothing demonstrates more starkly what a fiasco that program has been than the answer that the Minister for Fisheries gave in the Legislative Council to a question he was asked today. He was asked how much the government had spent on the shark cull program last summer and answered, "I do not know." The Premier said this program would cost around \$1 million and claimed that it would be done after consultation with all the experts. It has been implemented—in fact, it finished on 30 April, in case any member was not aware of that—yet the Minister for Fisheries cannot tell the Parliament, and therefore the public, how much the government spent. The accusation from this side was that this policy was hastily put together, poorly executed and given a blank cheque. The minister cannot even tell Parliament how much the government has spent. It is absolutely ridiculous that the fisheries minister cannot tell us how much the government spent. Someone in the back asked me whether the program was funded by the Department of the Premier and Cabinet.

[Member's time extended.]

Mr D.J. KELLY: On 10 April, I asked the Acting Premier during question time whether he could tell us how much the shark cull had cost. He said that if the Minister for Fisheries would not tell me, he would not tell me! No-one in government seems to know. I will not go into too many more details about the shark cull, but I will say two things. Probably the most successful part of this program is that the government has prosecuted the myth that in Queensland there have been no deaths from shark attacks since drum lines and shark nets were implemented. Since drum lines were implemented in Queensland, there have been over a dozen shark fatalities. They have not been at beaches where there are drum lines, but there have been over a dozen shark fatalities in Queensland since the drum lines were introduced. Members might say that because these attacks did not occur at beaches where there were drum lines it makes what the Premier has been saying accurate. Lots of the shark fatalities in Western Australia have been at locations where even now there are no drum lines, such as off Rottnest, the Abrolhos Islands and Esperance.

Mr S.K. L'Estrange: How would you address the shark issue?

Mr D.J. KELLY: I have limited time, member for Churchlands. The member should read my press releases and not interject.

The myth prosecuted by the government is the only successful thing about the shark cull.

Mr S.K. L'Estrange interjected.

The ACTING SPEAKER (Mr P. Abetz): Member for Churchlands, I will be calling you if you do not desist.

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Mr D.J. KELLY: The only successful thing about this program is that the government has perpetuated the myth that once Queensland had drum lines, it did not have shark fatalities. If members look at the statistics, they will see that there have been over a dozen shark fatalities in Queensland since drum lines and nets were put in place.

The final point on that is that I want to pay tribute to the community members who have put a lot of effort into the campaign that has been run over summer. The government thought that when it announced the cull, people would think it was being tough on sharks and it would get a pat on the back and the community would get on with it. What we have actually seen is a massive community campaign against the shark cull. Despite attempts by the government to vilify the people involved in the campaign, they are ordinary Western Australians who are horrified at financial waste and the senseless death of large numbers of marine animals. The public of Western Australia appreciate the voluntary efforts those people have put into that campaign. I do not believe that community campaign will go away, and the government would be wise in this winter break to take a deep breath and think twice about this program.

Mr M.H. Taylor: What about the commercial shark fisheries? They take way more sharks.

Mr D.J. KELLY: Commercial shark fishing in this state is managed and there are a lot of arrangements to ensure it is done sustainably, which is the whole purpose of the Fish Resources Management Act. If we are going to fish a particular species, it must be demonstrated that it is being done sustainably. Shark fishing in Western Australia is managed under that act. The fishing that we are seeing as part of the cull is outside of that act; it is very different.

I want to move on to some issues relating to my electorate of Bassendean. I have spoken a number of times in this chamber about the two disability justice centres that have been placed in my electorate. The first one is to be located on Lord Street in Lockridge or Caversham, depending on what side of the road one is on. The second one is planned to be on Altone Road, Kiara, very close to Lockridge High School. Both these sites are incredibly close to local schools, and I have spoken at length about the difficulty the primary school has with both those sites. I want to say one thing about what is in the budget. The budget states that a decision on the location of the second site—the one that everyone understood was to be located near Lockridge High School—has been deferred until after the first one is operational. I ask the government, if it is serious about considering another site or it has ruled out the Lockridge High School site, to tell the community, because having said that it is to go next to Lockridge High School, the government is causing all sorts of problems for that school. People are saying they will not send their kids to a school that will have a detention centre next to it. It has thrown long-term planning for the school into jeopardy.

I hope the government has made a decision to reconsider the location of that second site. I want it to decide to relocate both of them somewhere else; but, if the government has made a decision to do something different with that second site, it should not sit on that decision and leave Lockridge Senior High School in the lurch. Tell them that so they can get on with building up that school.

I want to say a couple of things about education cuts in my electorate. I have already talked about the \$80 billion the federal government is taking out of health and education. I would like to see the Premier jumping up and down, throwing a real tantrum over that. Instead, today I heard him say that it does not kick in for four years and that there is no need to panic. The education cuts the government has delivered to schools in my electorate have already been very significant. The first round took \$1.8 million out of public schools in my electorate. One of the schools—I will not say which one because the people who run that program did not want to be singled out—has for many years had a literacy program. One of the level-3 teachers with their 0.3 or 0.2 of time, which was extra time because they were a level-3 teacher, coordinated volunteers to come into the school to read to the kids to help those kids in the lower school with reading difficulties. The person who was in charge of that program last year has basically been in tears this year because she is trying to work out with the principal how she will continue to coordinate that program because she just does not have the time. That so-called “literacy army” is going to go from that primary school. If we take away a kid’s ability to properly read and write, it costs an enormous amount of money in the years to come.

That story, unfortunately, has been repeated in school after school in my electorate—education assistants have been cut, programs have been cut and principals are tearing their hair out trying to figure out how they are going to cope. Most of them have said that they can cope this year because they can sustain programs by robbing Peter to pay Paul, but next year, if things do not get better, then the proverbial will really hit the fan. There has been no improvement in this budget; in fact, there have been further cuts. I am really concerned about what is going to happen to the schools in my electorate next year.

Every time money is taken away from public education, the chances that kids will fall through the cracks increases. We know that when kids fall through the cracks, the more likely they are to interact with the criminal justice system. That is not new. We know that is what happens. If the government wants to be tough on crime

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and address home burglary rates, make sure kids get a decent education; do not cut out the school from under them. That is what happened in the first budget after the government got elected and it has done it again in this budget.

I also wanted to briefly mention the further delay in the construction of an overpass at Reid Highway and Malaga Drive. The congestion on Reid and Tonkin highways is now just ridiculous and dangerous, and the government has no plan whatsoever to deal with it. The Minister for Transport cannot help himself; he is going to interject.

Mr D.C. Nalder: You are not being factual.

Mr D.J. KELLY: I am not asking the minister because I only have two minutes left. The Minister for Transport had his chance—he had the chance in the budget to fund the Malaga–Reid Highway interchange on time and on budget, and it is not there. It is the second time the government has delayed it

Mr D.C. Nalder: I haven't.

Mr D.J. KELLY: I know. The Minister for Transport was not on the planet before the last election, I know that. The government has no plan whatsoever to deal with Reid Highway or Tonkin Highway—none whatsoever.

Mr D.C. Nalder: And you guys had a road plan. You've never had a road plan.

Mr D.J. KELLY: Yes; has the minister heard of the circle freeway? The Minister for Transport probably has not; he was not listening.

Mr S.K. L'Estrange: Was that Metronet fiction?

Mr D.J. KELLY: I only have a few minutes left.

The other issue I wanted to raise is that my electorate has some pretty poor health outcomes. It is one area identified by Medicare Locals as having poor outcomes. The GP tax and the hospital tax will do terrible things to primary health care. It is ironic that the government will allow the federal Liberal government to take the money raised from the GP tax and put it into a health research fund. The health research fund advice already tells us that we should not delay people going to a GP; if they put it off and delay it, they will get sicker and it will cost more. How ironic that the government will stop people going to the GP and put that money into a health research fund.

There are a lot of other issues I would like to address. I would like to entertain some questions from some of my colleagues across the chamber, but I do not have the time. I finally say that this government is a great disappointment, and the budget is likewise.

MRS G.J. GODFREY (Belmont) [9.07 pm]: I rise to speak on the Appropriation (Consolidated Account) Recurrent 2014–15 Bill 2014 and the Appropriation (Consolidated Account) Capital 2014–15 Bill 2014 as it relates to the electorate of Belmont. I will focus particularly on how the budget will affect the people I have spoken to who have come through my office. We are experiencing a challenging fiscal environment, as a rapidly expanding population continues to drive strong growth in demand for all key government agencies. As a result, new revenue and saving measures totalling \$2 billion over the next four years have been implemented in the budget. These new measures have allowed for additional resources to be allocated to front-line services, including health, education, disability and child protection services.

I am pleased that the subsidies for front-line services used in Belmont will continue to help struggling families and seniors. They include electricity subsidies at \$616 million and water subsidies at \$583 million. Within the transport area, eight per cent is being spent—that is, \$248 million. Law and order makes up 10 per cent of the budget, including in the police area and child protection at two per cent. Disability services are also well funded at three per cent and education at 16 per cent.

I also mention that the delivery of quality services at standards that meet community expectations whilst achieving value for money is a core priority of the government. The 2014–15 budget includes additional spending of \$812 million over four years to meet increased demand for education services, which will fund an additional 1 458 full-time equivalent teachers. An amount of \$40 million is allocated for the Fiona Stanley Hospital information and communication technology to facilitate the safe and efficient opening of the hospital. The budget will also subsidise the cost of electricity and public transport delivery by \$616 million and \$747 million respectively in 2014–15.

There is also an additional \$180 million in the forward estimates to meet the expected growth in demand for the disability services area, and a further \$58 million over two years for the Perth hills trial site for the National Disability Insurance Scheme. An amount of \$154 million over five years has been budgeted for forecast growth in mental health hospital activity. There is also an additional \$90 million over the next four years to meet the growth in demand for child protection services. This is an area that my office deals with a lot. It is quite a tragic area, with so many children in child protection services.

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There is also \$25 million over four years for Western Australia Police to replace the existing computer-aided dispatch system, which automates the 000 call service. This was raised by the member for Warnbro. I have had a few complaints from people in Belmont calling 000. This call service coordinates the records and dispatches front-line police resources to respond to criminal and emergency incidents.

An additional \$10 million has been budgeted over two years to continue the KidSport program. This has been rolled out in Belmont and is having a good effect. The participation rate of children in the sports of soccer, netball, swimming and football is increasing. Last Monday I had the pleasure of taking a girls' Aboriginal netball team called Purple Fever to see West Coast Fever. The girls were very excited about that.

This does not affect my electorate, but the Public Accounts Committee received a report from the Auditor General about Western Power's management of the wood pole assets. There is \$113 million in the budget for Western Power for 2013–15 to address the infrastructure priorities relating to the wood pole conductor and overhead service connection replacements. This is part of a \$1.4 billion program. Western Power's management of its wood pole network has been subject to seven inquiries and assessments by regulators in the past five years. An inquiry completed in 2012 by the Standing Committee on Public Administration found that Western Power failed to adequately manage its wood poles asset base to an acceptable level. This amount of \$113 million for Western Power will start to address this issue.

This evening I am referring to *Economic and Fiscal Outlook*, budget paper No 3.

Mrs M.H. Roberts: That's good because we wouldn't accuse you of plagiarism.

Mrs G.J. GODFREY: I thought I had better note that because one of the pages at the front says that we must do that.

The landfill levy is another area of concern to me. The Waste Avoidance and Resource Recovery Act 2007 provides for a landfill levy to be applied to metropolitan waste received at all landfill sites in the metropolitan area. The purpose of this levy is to act as an incentive to reduce waste disposed of in landfills and to generate funds for a range of environmental purposes. The member for Mirrabooka said that if people had to choose between an economic or environmental outcome, people would always choose the economic outcome. A survey that we did in Belmont proved that people were prepared to pay for an environmental outcome. Therefore, I do not believe that what she said was correct. We need the same system of waste collection in the metropolitan area. From 1 January, the landfill levy will increase from \$28 to \$55 a tonne for putrescible waste and from \$8 a tonne to \$40 a tonne for inert waste. I think this levy will provide better education. We need to recommend through the WARR act the source separation of waste. After these increases, Western Australia's landfill levy will still be less for general metropolitan waste than all other jurisdictions that charge a landfill levy. The levy in New South Wales is \$121 a tonne.

I would now like to talk about two initiatives that are funded for Western Australia Police. One is the closed-circuit television network expansion. A total of \$1.3 million will be spent to provide grants to local —

Mrs M.H. Roberts: Did you promise \$13.5 million at the election in your press release like your colleagues?

Mrs G.J. GODFREY: I did not put out a press release.

Local governments are seeking to improve closed-circuit television. CCTV is a popular system in Belmont. Pre-criminal activity gives us good prevention and post gives us good evidence. The improved closed-circuit television infrastructure will complete the business case for the state CCTV strategy, which is something that was looked at in the Auditor General's report.

The other area that I wish to raise relates to the computer-aided dispatch system, which I raised before—that is, the 000 call service.

I now move on to child protection and family support, which I touched on before. A lot of people who have had their children taken off them have come through my office. It is quite stressful for my staff. From 2014, an additional \$89.5 million will be spent to meet the growth in demand for child protection services. The department will provide support for over 4 000 children and young people in care—this is an alarming figure for all of us—to assess the safety of an estimated 18 500 children who are subject to child protection concerns and support an estimated 80 000 at-risk vulnerable families.

Another area that is continuing to be funded is the senior safety and security rebate. An additional \$1 million will be allocated each year for the continuation of the revised seniors safety and security rebate scheme, which was introduced in 2014. From 2014, a total of \$500 000 will be spent to continue the Wanslea grandcarers respite scheme, based in Belmont, which provides support services, including respite, an information line and support groups to grandparents who care for their grandchildren full time.

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Within the health area—this has been covered a lot—I am very proud that we are building the new Perth Children’s Hospital. The amount of funding allocated to that project is \$1.2 billion. Members have spoken about Fiona Stanley Hospital, which will cost \$1.8 billion, and Midland Public Hospital, which will be a great benefit for people in Belmont. Midland Public Hospital will have \$360 million spent on it.

One of the biggest projects to be paid for by the state government, as well as attracting federal funding, is the Gateway WA project. I am very pleased and thankful to the government for the \$547 million allocated to complete the Gateway WA project in 2016. The total amount spent on Gateway WA will be in excess of \$1 billion. It will deliver a safer and more efficient network of roads and bridges to the new Perth Airport precinct, and the surrounding businesses and residential areas will be uplifted. It is in the final stages along Tonkin Highway. The walls are going in, along with artwork and landscaping. I am very pleased with that, as is everyone in WA because we all go to the airport and we want a safe and fast ride to the airport.

I have heard those opposite speak in this place about wasted opportunities during a sensational time. I would like to touch on the special purpose accounts. Special purpose accounts are established under various sections of the Financial Management Act 2006 or by statute to put money aside. They include the Perth Children’s Hospital account, the road trauma trust account, the new Perth Stadium account and the Western Australian Future Fund. The future fund was established in November 2012 and provides an accruing balance over 20 years to 2032, after which the annual interest earnings can be drawn down to fund economic and social infrastructure across WA.

I refer now to the overview of “State Government Social Concessions Expenditure Statement” in budget paper No 3, which states —

The State Government provides social concessions in the form of rebates, discounts and waivers to improve the affordability of services and help reduce the cost of living for eligible individuals and families.

Through my office we have to make sure that people who are entitled to these rebates receive them, and there are many. Through the Attorney General’s portfolio there are Legal Aid concessions and Public Trustee discounts; under the Department for Communities there are the senior costs rebates; under finance there are council rebates, rates and charges rebates, the emergency services rebate and ambulance services rebates for seniors; under Horizon Power there are charge rebates and rental subsidies; under Transport there are public transport rebates for pensioners, seniors and carers fees; under Synergy there are supply charge rebates; and under the Water Corporation there are pensioner service rebates and consumption rebates. That covers, basically, everything I wanted to cover. I congratulate the new Treasurer, Minister Nahan, on presenting the budget. I also commend his staff on the presentation of the documents as they are well presented and easy to read. The inter-jurisdictional comparison shows that Western Australia’s utility charges remain below the 2013 national average.

MR J. NORBERGER (Joondalup) [9.24 pm]: Tonight I would like to add my contribution, if I may, to the debate on the 2014 state budget and the Appropriation (Consolidated Account) Recurrent 2014–15 Bill 2014 and the Appropriation (Consolidated Account) Capital 2014–15 Bill 2014. In doing so, I will start by looking at what this budget does for the good people of the electorate of Joondalup and the northern suburbs more broadly. From there I will extrapolate the discussion and look at the budget at a higher, state level. In doing that, I acknowledge that a lot of my parliamentary colleagues who have already had the opportunity to contribute to the discussion have individually provided a fair bit of detail on particular elements of the budget, for which I am very grateful. I think a lot of the specifics of the key announcements in the budget also have been fairly well canvassed in the media. Therefore, I am hoping that my discussion, certainly at a state level, will go deeper into areas not covered thus far. I believe it is very important for the people of Western Australia to be made aware of those issues. Finally, time permitting, I will finish off with some general observations. We can call them, “The musings of a humble backbencher from the lofty back row!” We will see whether I get a chance to add my equivalent of a live blog about some of the things that I have seen.

I will start, as indicated, with Joondalup and the northern suburbs. There is not a whole lot I want to cover insofar as things are going reasonably well in Joondalup with the major commitments that the Liberal–National government took to the 2013 state election. Those commitments were already funded and already made their first appearance in the budget last year. This year really sees a continuation of them. However, I will touch on them to keep them on the radar of my constituents and other people who are taking an interest in Joondalup and the northern suburbs.

I will start off with HBF Arena, formerly known as Arena Joondalup. I still have to get used to the new name, but it is HBF Arena now. The funding for the major upgrade of that arena was announced last year, and that funding continues. For those who are not aware, \$20 million has been put towards the redevelopment of HBF Arena. It is a key sporting hub for the northern suburbs and that money will provide a new home for the Wanneroo Basketball Association, allow a significant expansion of the rugby club and the Joondalup Netball

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Association, and will provide new club facilities for the West Perth Football Club. All those clubs are naturally very grateful for that and I am very much looking forward to it. It is already an outstanding venue and it will be even more outstanding when the project is finished.

The Edgewater multistorey car park is progressing towards a 2015 build and at this stage we are looking at a 2016 completion. That was a really important commitment for me to take to the election and I am delighted to see it progress. On behalf of my electorate, it is sorely needed. I have mentioned in this place previously that by very early in the morning—7.30 in the morning—that car park is already very full. Edgewater train station is a very popular train station that attracts traffic from a very wide catchment area. When complete, that multistorey car park will see an additional 579 car bays for a grand total of 1 450. I thank the Minister for Transport for his continued support for that project and I look forward to seeing that get underway.

Mr D.C. Nalder interjected.

Mr J. NORBERGER: I thank the minister. I refer now to Joondalup Health Campus. Members would have heard recently the announcement of the impending development of the Telethon Kids ward. That will be a fantastic, brand-new, 37-bed paediatric ward. It will cost \$15 million and is co-funded by the state government, the Telethon Kids Institute and Ramsay Health Care. It is an outstanding initiative and I am very, very supportive of it. The health campus already has a dedicated paediatric emergency department. This ward will allow sub-tertiary paediatric care to be undertaken much closer to where people live. Obviously, I am very delighted about that.

I refer to the Butler train line extension. Whilst slightly north of my electorate, the other day I had the opportunity to visit the Butler train station with the minister. It is an amazing looking train station, as much as a train station can excite someone; it certainly achieved that with me. People might not know that not only is it the continuation of the train line and the inclusion of the Butler train station, but also a raft of new bus services are being added into the catchment area to service that train station. I mention it in my speech because I have no doubt that once that comes online it will have a direct beneficial roll-on effect to train stations further south, including Currambine, Joondalup and Edgewater, which I believe are taking some of the traffic and patronage because the Butler train station is not online yet. It is ahead of schedule and under budget, which is an outstanding outcome.

The DEPUTY SPEAKER: Order! Minister for Transport, you cannot bring newspapers into the chamber. Thank you.

Mr J. NORBERGER: For members who are not aware, the decentralisation project is a commitment to relocate roughly 600 government workers to Joondalup. I believe this is a very, very key and very important project for Joondalup. Joondalup has a window of opportunity to “densify”, if you like, and to become the CBD of the northern suburbs. I believe that this is a critical undertaking by the government to take the lead role to establish further commercial space—probably around 11 000 square metres of commercial space. It is my hope that private equity will follow thereafter. I continue to work very closely with the Minister for Finance on that project and I am very excited about it. The 40-kilometre-an-hour school zone LED signs are being rolled out across all of metropolitan Perth and also the country. I think that issue has been canvassed well in this place. It is an outstanding scheme and I believe Beldon Primary School is the next school to receive that type of sign and I look forward to seeing it. The Mitchell Freeway widening was of particular importance to the electorate of Joondalup. I benefit from that when we finish at five o’clock on a Thursday. Those extra lanes going to Joondalup have been appreciated by the local member, and I am sure not only me, but also others.

Let me zoom out a bit now, if I may, and look at the state considerations for the budget. The budget was termed to be “the right budget for its time”, and I believe rightly so. I will cover some of the headline items without going into too much detail. I believe they have been well canvassed in the media and my colleagues have gone into more detail about them. The budget continues to invest in critical infrastructure. The allocation of \$24 billion over the next four years is critical as our state continues to grow. We have heard that our population growth is likely to slow down a bit. We anticipate that our population will grow by about 1 000 people a week, which is still a lot; that is 52 000 people a year. An additional 1 000 people a week will need education and health services and law and order services. Last year, our population grew by 85 000. It is important for members and the public to keep that in context when they wonder why we have to spend so much money on expanding these services; that is why.

As someone who has come from the small business sector prior to entering Parliament, I am always delighted to see any initiative within the budget that helps small business. I am delighted that the payroll tax threshold will increase by \$50 000 from \$750 000 to \$800 000 on 1 July 2014, and from \$800 000 to \$850 000 on 1 July 2016. I dare say that that will be very welcomed by the small business sector.

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We know that there have been some increases in fees and charges in this budget, and they have been well canvassed. There have been increases in charges for electricity, water and a raft of other services that the government provides. Although I think the average person would expect there to be a change in fees and charges from year to year, there obviously has been a fair bit of conversation about that. Although I will not go into the detail of each and every one, I believe that it helps to keep these in the context of how Western Australia compares with other states and territories. I note that the member for Churchlands also did a great job of highlighting this. Treasury measures what it calls a household basket of government goods. It is a collection of services provided by government that Treasury believes is a broad cross-section of what the average consumer is likely to need during a year. It looks at the cost of those services, and obviously it looks at the impact that any rate increases will have on that basket of goods. The household basket of goods that Treasury measures includes things such as compulsory third party insurance, driver's licence fees, electricity and water charges, public transport fares, stamp duty and motor vehicle registration. In light of that, members might be very interested to know that Western Australia rates as the second lowest in the nation; it is second only to Tasmania. I could very well say tongue in cheek that Western Australia is the cheapest mainland state, but I will not forget Tasmania. Western Australia is second to Tasmania. All jokes aside, Western Australia has the second most affordable basket of goods. For example, it is almost 40 per cent more expensive in New South Wales than it is in Western Australia. I believe that that should be kept in context when we have these discussions. If we were to zoom in momentarily on compulsory third party insurance, for example, we would find that the cost is lowest in Western Australia by, on average, almost more than half. That is a significant difference.

Utility charges for water, electricity and the like in Western Australia remain below the 2013–14 national average. The rates and charges that will be implemented this year are still lower than the national average for last year. Again, this issue may not have been canvassed very broadly, but I believe it would be handy for the people in my electorate to know about this through my speech tonight. Public transport fares are significantly lower than those in New South Wales and Queensland, and are certainly highly competitive with those in all other jurisdictions.

We have also heard about some of the changes that have been made to the stamp duty exemption thresholds for first home buyers. That issue has obviously received a fair bit of media coverage. We know that there has been a bit of a change. Again, I hope to bring that into a bit of context tonight, just as the member for Churchlands did earlier. It must be remembered that WA continues to provide amongst the most generous support for first home buyers in the country. There are a lot of good things that have not changed, including the \$10 000 grant for new home buyers. If a new home buyer purchases or builds a new home, they will get a \$10 000 grant. That has not been changed; that is still in the budget as we speak. Then there is the \$3 000 grant for a new home buyer who buys an existing home. There is also a stamp duty exemption threshold of \$300 000 for land; that has been unchanged. At this point, it might be worth reminding people that this government's priority is to encourage new home owners to build new homes. That is really what we want; we want new stock to be added to the existing stock of homes. Our preference would be for new home buyers to buy a new home and land package; and, if they do so, the incentive that was in place last year and the year before is unchanged. We know that stamp duty on existing homes will now begin to be phased in at \$430 000, whereas previously it was \$500 000. Let me put that into context and give a few examples. A quick search on realestate.com.au for properties in my electorate of Joondalup, which is hardly known as a frontier or developing suburb—it is a fairly established area—valued at, say, \$450 000, which is slightly higher than the phase-in level of \$430 000, resulted in 152 properties at or below that price. There were 152 properties available for \$450 000 or less that a new home buyer could avail themselves of in and around Joondalup, which includes Ocean Reef and all the other suburbs. Those properties included apartments, duplexes and three-by-ones; there was a real variety. Under the current change, we accept that \$3 800 in stamp duty will be payable on a property valued at \$450 000. That is not forgetting that if a person buys an existing home, they will still get the \$3 000 first home buyer grant that they can obviously use to offset that cost. In that \$450 000 bracket, WA is still the second lowest taxing state in Australia after Queensland.

I will quickly move on to debt. The government's views and position on our debt level has already been well canvassed, and we know that this government has a strategic plan to address it. However, even when we talk about government debt, I believe it helps to keep things in context. When we viewed debt as a percentage of state revenue, we found that WA's result of 60.4 per cent—that is our debt in relation to our revenue—is the second lowest in the nation, again after Tasmania. I am not happy that Tasmania is beating us on a few of these but that is all right; we will work on that!

Mr N.W. Morton interjected.

Mr J. NORBERGER: I believe the member for Forrestfield is right. WA's rate of 60.4 per cent is the second lowest in the nation. The New South Wales debt-to-revenue ratio is 74.4 per cent. That is almost 15 per cent higher than the rate in WA, yet, interestingly enough, New South Wales continues to retain its AAA credit

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rating. Members might ask why that is. Despite the howls to the contrary that we have heard from members opposite, debt in isolation is not the sole reason that WA has lost its AAA credit rating. There is a very important additional component called volatility. That is what made the real difference. New South Wales might have a higher debt level, but its sources of revenue are much more dependable than those in WA. We simply do not have the luxury of a highly dependable revenue source. Western Australia has the challenges of a growing and expanding state but with a growing reliance on a highly volatile revenue source—that is, royalties. As it stands, over 20 per cent of our revenue is from royalties. They are highly susceptible to the vagaries of the Australian exchange rate and the movement in the price of iron ore—factors that we know are well beyond our control. To give an example, for every \$1 change in the price of iron ore per tonne, there is a plus or minus impact on our budget of \$49 million. For every 1c change in the Australian–United States dollar exchange rate, there is a plus or minus \$80 million impact.

[Member's time extended.]

Mr J. NORBERGER: This is bad enough, but there is one very critical exasperating factor in addition to all of that. At this point, enter stage right the GST.

Mr N.W. Morton interjected.

Mr J. NORBERGER: It is not entering the state at the moment; it is exiting the state. With the current state of the distribution of the GST—this is key; I am not having a crack at the GST as a tax, but I think it is important that we have a bit of a discussion about the distribution of the GST—the Commonwealth Grants Commission does a great injustice to WA. As Western Australian parliamentarians, we must never grow tired of raising this issue, and raising it loudly. To our detriment, we sometimes gloss over the GST issue and relegate it to an all but expected sound bite. We should not let that happen, and I will tell members why. Let me take members on a short journey deeper into the GST and how it impacts on our state.

Right from the outset, before I go any further, let me address the most common rebuttal. As soon as we start talking about GST in any kind of detail, we tend to hear, “Why do you even bother talking about it? The commonwealth can’t change it, because both major parties at the time said that. All the states have to agree to change it. Unless all states agree in unison, nothing will happen. Surely that’s not going to happen, so you’ll waste your time talking about it.” Quite frankly, let us clear that matter up nice and early so that we can continue to have a deeper look at the GST. The reality is that it is a view of the Western Australian government that the commonwealth absolutely can do something about it. We heard the Premier address this chamber a number of weeks ago with that exact assertion.

The view of the government is that section 8(2) of the Federal Financial Relations Act 2009 requires only that the commonwealth Treasurer “consult” with each of the states when determining the GST revenue-sharing agreement. The Intergovernmental Agreement on Federal Financial Relations leaves the principle of horizontal fiscal equalisation undefined. Liberal federal MPs for WA have, for a long time, been strong advocates for changes to how the GST is distributed. Western Australia has recently seen some improvement in how its iron ore fines are treated and the like, but now is not the time to back off. We must keep the pressure up. I will explain why that is so critical. We have seen an unabated deterioration of our GST share from 2001–02 to 2017–18. As our volatile and unpredictable royalty income grows, our stable GST revenue drops drastically. The irony is that it does so in almost perfect unison. Members might remember coming across a chart at the budget briefing that showed the increase in royalty income and the sudden decrease in GST income. The chart looked like a perfect cross; almost one for one. To give an example, in 2001 the GST represented approximately 24 per cent of our revenue base and royalties represented about six per cent. In 2009–10, they met in the middle—GST represented 15 per cent and royalties represented 15 per cent. That year was almost like two trains passing each other on a misty morning—the closest the two have been to each other, never to be so again as they hurtle in opposite directions.

By 2017–18, GST is predicted to be only four per cent of our revenue base and royalties will be 25 per cent of our revenue base. Members may look at it like this: in 2014–15, royalty income grew by \$265 million but GST dropped by \$258 million, which is almost dollar for dollar. Or members can look at it slightly differently again: in 2006–07, WA received \$3.968 billion in GST. By 2017–18, that figure is predicted to be \$799 million. That \$799 million figure has additional significance, which I will come back to shortly.

Let us first look at that drastic drop. It is bad enough to behold this savage decline over 11 years but it actually does not do it full justice if we do not take heed of the fact that we have not yet accounted for inflation. If we assume a rate of inflation of three per cent, which is actually Australia’s current long-term average, the results can again be viewed in two ways. That \$799 million in 2017–18 would be the equivalent of \$577 million in 2006 dollars. Perhaps more drastically, the \$3.968 billion that we received in 2006, if adjusted for inflation, would see

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us receive \$5.492 billion in 2017–18, and that is just adjusting for inflation! Do not forget that WA’s decade-long average in expense growth from 2004 to 2014 was 8.7 per cent. I have adjusted it for only three per cent. We have a growing population and we have growing infrastructure needs.

The Commonwealth Grants Commission is a great equaliser but it is hardly fair. A growing resources industry is hardly without challenges. There is pressure on private wages, which flows on to public wages. We have seen that in previous years. There are infrastructure requirements in remote parts of Western Australia. Growing populations have needs in education, health, law and order and others.

Part of what we saw in yesterday’s federal budget is a case being made for a reduction in corporate welfare. That is exactly what the Commonwealth Grants Commission does but it does so at a statewide level. Page 104 of the *Economic and Fiscal Outlook* states —

The CGC process comprehensively redistributes any above-average fiscal capacity of a State to the other States—it can be characterised as a 100% tax on any above-average fiscal capacity.

This acts as a huge disincentive for other states and territories, such as South Australia, Tasmania and the Northern Territory, to make any hard but necessary decisions to reform their states. Why on earth would a government risk political capital in pursuit of reform when it knows the Commonwealth Grants Commission is there to top it up and bail it out if it underperforms? It is like manna from heaven! The real kicker, however, is this: that mentality of penalising Western Australia is not just limited to the Commonwealth Grants Commission and the GST. It goes further. One need only look at the original Gonski proposal that was put forward by federal Labor in which New South Wales was going to receive \$5 billion, Victoria \$4 billion and Queensland \$3.8 billion. How much was Western Australia going to receive? The answer is \$300 million. WA was going to be penalised for having resourced its schools well and managing its budget well. Those states that had not were going to be rewarded with manna from heaven from the federal government.

Even if members look at commonwealth payments generally across the board, each state and territory gets a variety of commonwealth grants and payments and whatnot. It is worth remembering that WA has a population share of the country of about 11.1 per cent, yet we will receive on average 7.5 per cent of commonwealth payments in 2014–15. In 2012–13, WA was a net contributor of payments to the commonwealth and the other parts of Australia to the tune of \$20 billion. To put that into context, if members take into account all the taxes we pay and all the taxes that are generated—be it payroll tax or company tax—all the money that goes to the commonwealth, and subtract from that all the money that comes back to us in the form of GST and other grants, \$20 billion more leaves the state than comes back. To put that into perspective, that equates to \$8 237 per capita. When that is compared with the other states, NSW contributes \$268 per capita; Victoria gains \$46 a person; Queensland gains \$1 500; South Australia gains \$4 000; Tasmania gains \$8 500; and the Northern Territory gains \$16 000. No state contributes as much per capita as Western Australia.

I mentioned earlier that I would come back to the 2017–18 GST forecast and its additional importance. If members remember, that is the \$788 million that WA is predicted to receive in 2017–18. Last night we heard Joe Hockey state that the federal government would more or less vacate the health and education funding space and leave a big chunk of that to the states. He is quoted as saying —

“State Governments have primary responsibility for running and funding public hospitals and schools (and) the extent of existing Commonwealth funding ... blurs these accountabilities and is unaffordable,”

Being the strong federalist that I am, in principle I agree with that. I agree that they are state responsibilities and it is good for the states to maintain control. However, my clear message to the federal government is that it cannot have its cake and eat it too. It cannot collect a vast amount of revenue from all the states and then keep that to itself, but still put an extra burden on the states to carry their load. Right from the outset, can I say that fixing—if I can call it that—the GST distribution on its own is not good enough. A fixing of the GST distribution should happen irrespectively. Irrespective of the decision by Joe Hockey, we should be fixing that. If we are to take over full funding responsibilities, or the large chunk of the funding responsibilities of health and education, we need to heed the recommendations of the National Commission of Audit and give the states the ability to have a share in income tax receipts.

I have only two minutes left. I will quickly finish off by saying that not surprisingly, but disappointingly nonetheless, what we have heard thus far from the opposition under the leadership of the member of Rockingham is unfortunately typical of flip-flop politics—oppose for the sake of opposing, and even then commonsense and logic seem to be optional at best. Member after member has declared that, “More should be spent there. You haven’t funded this. I want this. We want more of that. This is underfunded. We should have budgeted more there.” Then in the same breath almost, they have also said, “But you have overcharged there. We wouldn’t have charged that. We wouldn’t have increased that. You’re cruel for doing that. That cost is too

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high. You can't cut that." And so forth. Finally, they went on to say, "While we're at it, your surplus is too small and your debt is too high and that should be low as well."

People who read this in *Hansard* or watch it on YouTube or whatever later will have to trust me that it had to be seen to be believed. It was unbelievable! I did not know whether to laugh or cry. It would have been amusing if it had not been so important. However, I have to say that if someone sat down and did the numbers, the budget under Labor would be an absolute train wreck—excuse the pun in relation to Metronet. If we actually stitched together all their wants and all their desires—more here, less there—I would hazard a guess that we would easily be billions of dollars in deficit.

Finally, I have to say that this budget has my support. I congratulate the Treasurer, the Premier and the cabinet on their leadership and I commend this bill to the house. Thank you very much.

MR M.H. TAYLOR (Bateman) [9.51 pm]: I would like to commence my 2014 budget reply speech on the Appropriation (Consolidated Account) Recurrent 2014–15 Bill 2014 and the Appropriation (Consolidated Account) Capital 2014–15 Bill 2014 with a general summary of the WA economy. WA's economy is in transition, with business investment easing from \$75 billion in 2012–13 to stabilise around \$55 billion in 2017–18. These are still very high levels of investment. During the same period, exports have risen from \$130 billion to \$180 billion per annum. Gross state product is expected to bottom out at 2.75 per cent next year before rising again to five per cent in 2017–18. The wage price index is around three per cent for the private sector and around four per cent for the public sector, after peaks of six per cent when attractive wages were required to retain and/or obtain public servants when we came into government. This was a successful strategy. For example, we have had teachers in front of every classroom under this Liberal–National government unlike the previous Labor government. WA's GST share has now dropped to 37c in the dollar and is expected to reduce further to 11c in the dollar by 2017–18. This is important because the stable GST income as a share of total revenue in WA is 10 per cent, dropping to three per cent, replaced with the more unstable royalty income as a share of total revenue, which is 18 per cent increasing to 23 per cent.

With that summary in mind, I would like to move now to the 2014–15 state budget. This budget is a Liberal budget and I fully support its three key aims of smaller, more efficient government, investment in productivity-enabling infrastructure and looking after the most vulnerable in our community. To me, these three ambitions should be the core of every Liberal government and I will elaborate on them in this speech.

This Liberal–National government believes in smaller and more efficient government and has sought to keep expenditure growth at or below revenue growth. Both are currently around 2.6 per cent with an estimated operating surplus for 2014–15 of \$175 million. Revenue and savings measures improve the state's net operating balance by an estimated \$446 million in 2014–15 and reduce net debt by around \$2 billion over the forward estimates. For example, WA had 8.1 per cent annual average growth in general government employee expenses between 2008 and 2013. This is significantly higher than the next highest of 6.4 per cent expense growth in Queensland and the lowest expense growth in New South Wales of 4.9 per cent. In response to this unsustainable growth in public sector expenses, this government and budget are building on existing public sector workforce reforms including a consumer price index–based wages policy; the Workforce Reform Bill 2013; and voluntary separations—for example, for 190 non-operational police officers.

I would now like to discuss this government's investment in productivity-enabling infrastructure for our growing state. A report published by Synergies Economic Consulting in January 2014 estimates that the annual cost of congestion per annum in Perth is \$1.4 billion—that is, 14 million hours of commuter time a year. The cost of congestion is predicted to grow to \$3.8 billion per annum by 2031.

In January this year the Murdoch Drive–South Street interchange upgrade was completed in the electorate of Bateman. This is the major intersection in the Murdoch Activity Centre. Traffic modelling predicts that more than 50 000 vehicles a day will use the Murdoch Drive–South Street interchange by 2021. The number of cars using this section of South Street each day is predicted to reach 60 000 by 2031. The issue of traffic congestion was a primary concern of Bateman constituents during the 2013 election campaign. It is therefore pleasing that this Liberal–National government is actively addressing Bateman intersections that have high congestion.

The previous statistics demonstrate that without deliberate planning and infrastructure investment, we will constrain the productivity of our growing state. The WA government has responded with an unprecedented \$23.7 billion worth of infrastructure investment over the next four years. This will build on the \$40.34 billion in capital works delivered by the state government since 2008. This investment will deliver the infrastructure needed for a growing state, including 19 new schools; two new fire stations; many new and upgraded hospitals; 123 new buses; and 22 new railcars. I know that constituents in the electorate of Bateman will be pleased to hear about the purchase of 22 three-car B-series railcars, which will increase the size of the Transperth rail fleet by 28 per cent. My electorate of Bateman contains two of the busiest rail stations in the metropolitan region in Bull

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Creek station and Murdoch station. In fact, Murdoch is the busiest suburban rail station in WA with over 5 000 passenger boardings each day and is set to increase further with the opening of Fiona Stanley Hospital and when the remainder of the Murdoch Activity Centre becomes operational. With such strong interest in public transport in my electorate, and in particular the use of rail, I will continue lobbying for more accessible and efficient feeder bus services throughout the area, which will in turn mitigate traffic congestion by reducing the number of cars on the road.

The state government is investing more than \$355 million over the next four years in public transport, roads and port infrastructure in the south metropolitan region. This is part of a total investment in the region of \$2.11 billion over four years, including \$56 million to commission Fiona Stanley Hospital, which incorporates the State Rehabilitation Service. This investment in infrastructure will support our growing state and drive productivity.

I now move to an issue that is of great importance to my constituents of Bateman, and in fact to constituents of the whole south metropolitan region, including the members whose electorates lie adjacent to mine. The extension of Roe Highway from the Kwinana Freeway to Stock Road, known as Roe 8, is part of the Perth freight link that will provide a high-quality freight connection without traffic lights between the Fremantle ports, Perth Airport and the key industrial areas of Malaga, Kewdale and Welshpool. In last night's federal budget, Treasurer Joe Hockey announced a federal-state partnership to construct Roe 8 as part of a \$1.6 billion Perth freight link. Traffic modelling by Main Roads Western Australia forecasts that Roe 8 will transport up to 75 000 vehicles a day by 2031, reducing traffic on critical sections of South Street by nearly 20 per cent and Leach Highway by 10 per cent. This will mean that tens of thousands of vehicles a day will be diverted onto Roe 8 and away from the busy Murdoch Activity Centre. This is all the more significant given the need for emergency vehicles and patients of Fiona Stanley Hospital and St John of God Hospital Murdoch to have easy access from the south and east into the hospital precinct. In 2009, consultants employed by Main Roads WA delivered the "Roe Highway Strategic Review: Final Report: October 2009". The report found —

Without the Roe Highway extension, freight traffic has no option other than to use South Street and Leach Highway in order to reach Fremantle Inner Harbour, and would use either Kwinana Freeway south or South Street and Leach Highway to get to Stock Road to go south. High congestion and stop-start conditions at multiple intersections on both South Street and Leach Highway contribute to sub-optimal freight transport operations.

- By 2031, without Roe Highway low levels of service will be experienced at five out of seven surveyed intersections along Leach Highway, and at all six surveyed intersections along South Street.
- ...
- By 2031, the Kwinana Freeway between Leach Highway and Yangebup Road is likely to be characterised by queuing and delays even if it is expanded from 4 to 6 lanes. The Roe Highway extension is not expected to affect this road to the north of the Roe Highway. To the south, the Roe Highway extension along the Rail alignment would reduce overall traffic on the Freeway by 12 percent and freight traffic by 21 percent, while an extension along the MRS would reduce overall traffic by around 5 percent and freight traffic by 10 percent.

Based on community surveys, including my own campaigning, the vast majority of local residents are in favour of this extension that will deliver productivity gains, improve road safety and reduce traffic congestion by taking heavy vehicles off suburban roads. I surveyed the whole electorate of Bateman prior to the 2013 Western Australian election, and it was very clear that the dominant single issue affecting businesses and individuals alike was the need for the Roe Highway extension to be built. The constituents of Bateman overwhelmingly support the construction of this major road link. Roe Highway has been planned since the 1955 Stephenson-Hepburn plan recommended a north-south freight link bypassing the CBD that would allow freight to travel easily between the major industrial centres and ports without being forced to travel through suburban streets. It is far more preferable economically, socially and environmentally that mass freight transport occurs on a nonstop dedicated wide freight reserve, rather than the current situation of heavy haulage trucks stopping and starting along Leach Highway, often within 10 metres of homes.

The alignment of Roe 8 will be along the existing Hope Road reserve to minimise environmental impacts. Additionally, Roe 8 will be built above the ground, which will allow for the free movement of wetland wildlife underneath the road structure compared with the current situation in which wildlife must cross Hope Road to move from one wetland to another. The Roe 8 proposal has spent years going through the necessary environmental assessments and was given conditional approval by the Environmental Protection Authority last year. The EPA was satisfied that the Main Roads Western Australia proposal adequately demonstrated that all

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efforts had been made to avoid or minimise environmental impacts to vegetation and terrestrial fauna. The EPA also noted the extensive consultation, innovative planning and design measures conducted by Main Roads WA in putting together its proposal. These measures include efforts to minimise impacts on wetlands, native vegetation and native fauna in the region. In addition, a range of measures will be undertaken to offset the environmental footprint of the construction, including land acquisition and a wetland restoration program at North Lake and nearby Horse Paddock Swamp. The efforts made to protect the environment and the community's quality of life are unprecedented, and the EPA recognises this in its report. Roe 8 is a key part of the Perth freight link that will deliver productivity gains and reduce the travel time between Reid Highway and Fremantle port by an estimated 16 minutes.

I would now like to comment on education. Department of Education funding increased by \$188 million—representing 4.3 per cent—to \$4.58 billion in 2014–15. This is up 64 per cent from when the Liberal–National government first came to office in 2008 at a time when our schoolteachers were the lowest paid in the nation. The education budget represents an average investment per student of \$15 824, the highest of any state in Australia. We now have the best resourced schools and the highest paid teachers in the country—a strong education legacy in anyone's terms. This budget provides for 550 more teachers next year to assist with the growing student numbers. This will keep our student–teacher ratio to one of the lowest in the country.

At the same time as these achievements, we have implemented a system that delivers education outcomes more effectively with the independent public schools initiative and the new student-centred funding model to be introduced next year. WA's IPS initiative continues to be successful in empowering schools with greater independence and achieving greater efficiency. As of 2014, 264 schools are operating as independent public schools and over half of all public schools have sought to become independent since the initiative began in 2010. The federal government has publicly praised WA's IPS model and has encouraged the model in other jurisdictions. I have seen firsthand the benefits of the IPS system in schools in my electorate of Bateman, including Rossmoyne Senior High School, which is highly regarded for its excellence in education, not only in my electorate but across the Perth metropolitan area and beyond.

This budget also introduces the student-centred funding model. In 2009, the Department of Education engaged the University of Melbourne to undertake a review of the model used to distribute funds to public schools in WA. The report identified that the existing funding mechanism is excessively complex and inefficient, and recommended moving to a simpler funding model that allocates funding based on student needs rather than a variety of school-based and other factors, as in the existing system. The report also found that the current model was resulting in overly generous funding to some schools, particularly secondary schools. This finding was supported by the Productivity Commission's "Report on Government Services", which indicates that WA public secondary schools are among the least efficient in the nation, with fewer students per teacher than any other state; in fact, only the Northern Territory has fewer students per teacher than WA.

Despite our high level of education funding, WA school students generally do not perform as well as New South Wales, Victoria and the Australian Capital Territory in the National Assessment Program for Literacy and Numeracy. The student-centred funding model is very similar to the model proposed by the Gonski review. The main reason that the WA government did not sign up to the national Gonski program is that control over our state schools would have been handed to the federal government in Canberra. We believe that the state government, not the federal government, is in the best position to act in the interests of WA students, and signing up to the national scheme would have been detrimental to WA school students in the long run. Importantly, this new funding model will ensure that every child who genuinely needs support will receive it; will ensure funds are better targeted to individual student needs; and will follow individual students, wherever they are educated.

I would like to conclude with comments on caring for the most vulnerable. This Liberal–National government recognises that one of the key reasons a government exists is to care for the most vulnerable people in our community. Building on last year's fiscal action plan, this budget delivers additional spending to be directed towards front-line services, including health, education, mental health, disabilities and child protection services. The Liberal–National government is investing an unprecedented \$8 billion in health, an increase of a further \$446 million on last year's funding. The demand for health services continues to grow, with hospital emergency cases expected to reach 1.03 million in 2014–15, up 3.5 per cent. Hospital funding equates to \$5.41 billion for 2014–15, up 5.7 per cent, and will grow another 5.6 per cent to \$5.71 billion the year after.

I remind the house that the Fiona Stanley Hospital is the biggest infrastructure project ever undertaken by the state government of Western Australia—a total investment of almost \$2 billion. It will be one of the most technologically advanced hospitals in Australia—and, indeed, the world—and will provide first-class care for generations of West Australians for decades to come. With world-class infrastructure projects such as Fiona Stanley Hospital, it is no wonder that people from all over Australia and the world are moving to WA. This

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68 per cent increase in health funding since 2008 is evidence that this government is committed to delivering the highest quality services, whilst maintaining efficiency.

With respect to mental health funding, the Liberal–National government has increased investment in mental health by \$321 million since 2008, an increase of 68 per cent. On top of this, we are investing a further \$154 million over five years, including 136 mental health hospital beds.

[Member’s time extended.]

Mr M.H. TAYLOR: Thirty of these extra mental health beds will be at Fiona Stanley Hospital, in my electorate of Bateman. This government has also allocated \$29.1 million to the statewide specialised Aboriginal mental health services over three years.

In relation to disability services, this Liberal–National government has committed \$180 million over the next four years to meet the increasing demand for disability services across our state. That is a 101 per cent increase in disability service funding under this government. A further \$58 million has been committed over two years for the Perth Hills National Disability Insurance Scheme trial, from 1 July 2014.

Finally, the Liberal–National government has increased funding to child protection by \$272 million. That equates to an increase of 77 per cent since 2008. An additional \$89.5 million will be invested over the next four years. This funding allows the state government to support 4 000 children in care and safety assessments for more than 18 500 children with 2 284 dedicated child protection workers.

In conclusion, this Liberal–National government should be applauded for unprecedented commitments and success in government efficiency and reform, investment in productivity-enabling infrastructure and in front-line service delivery to care for the most vulnerable in our community. I commend this budget to the house.

MR I.M. BRITZA (Morley) [10.11 pm]: I would like to inform this alert house that I am the last speaker.

Mrs M.H. Roberts: Only for tonight.

Mr I.M. BRITZA: That is true; it is only for tonight. I want to assure members that I shall be as brief as I can in my contribution to the debate on the Appropriation (Consolidated Account) Recurrent 2014–15 Bill 2014 and the Appropriation (Consolidated Account) Capital 2014–15 Bill 2014.

I am not sure that I know too many people who are actually thrilled about any budget. In fact, any time I mention the word “budget” to someone, it is like a swear word. No-one likes it because budgets make us accountable and make us do things that we do not want to do. Budgets make us tighten our belts. Budgets make us go, “Right, I can’t have that cup of coffee because I’m on a budget. I can’t spend what I want; I have to budget to clear my debt.” The primary reason for budgets is to clear debt so that we can get on and do what we need to do. I constantly tell my son, “Stop talking about what you want and let’s talk about what you need.” He does not understand the difference between needs and wants, but we, who call ourselves “mature”, say that we understand that.

It is always difficult but understandable that those who oppose a budget are always negative towards it. I happened to be in the chair when the member for Albany gave his speech, and I was delighted that even though some of his observations were negative he actually patted the government on the back and said that the government has done a couple of good things. I was almost in shock, and I thought, “Flip, the opposition —

Mr F.A. Alban: Only one of them.

Mr I.M. BRITZA: One member did anyway!

Mr S.K. L’Estrange: He left a lot out, member.

Mr I.M. BRITZA: That is true, but the point is that he at least acknowledged a couple of good things. I always think that is a good thing.

A lot has been said about seniors. A vast majority of my constituents are over the age of 50 and budgets are very important to them. Some of the biggest complaints to me are from seniors upset about other seniors who do not budget. They have said that they know that they have to tighten their belts and do the right thing, but that means they have to stop doing certain things that are wants instead of needs. Some seniors in my electorate get upset that some people want to go on like nothing has happened and not stick to a budget.

I am happy with the title “The right budget for its time”. I think it is a fair title. It is not an easy budget. I did not go out and have a party. I have never gone out and had a party over any budget. Every time I hear a budget, I realise that I have to go back and make sure that I do not spend more than I receive. As far as I am concerned, I did not lose any sleep at all. I slept like a baby, because I realised that we have to do the right thing. That is what is really important.

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I am delighted that the Noranda Hawks footy club in my electorate got \$400 000 and that the Noranda recreation centre got \$800 000. That might not be big money for some, but it is outstanding for those clubs. The president of the Morley–Noranda Recreation Club, Mr John Payne, is an absolute campaigner. He is a real—I want to say it affectionately in the chamber—downright leftie and I really like him. He is really straight and understands how fortunate he is to get money for his club. Last week, we lost one of its board members, Mr Dave Long, who passed away. It is a sad loss, because it is club members who volunteer their time that helps clubs get on their feet. I could not ask the relevant minister for money for the Noranda women’s soccer club, because I knew it did not have that much money, so I raised it myself. I was delighted to be able to go to the Noranda women’s soccer club and give them a cheque for \$5 000. That may not be a lot to some people, but the club was absolutely delighted, and I was thrilled to give it to them because it is out there.

There has been a lot of noise about the Malaga overpass. I was there with the former Minister for Transport and we looked at the overpass site and discussed what was going to happen. It has never been a concern to me to save money. If we can save money by building the overpass with all the other construction that is happening along Tonkin Highway, I say great; I have no problem with that.

While I am on the subject, I have to say that the former transport minister, the member for Vasse, was outstanding. There are some people in Clandon Way, a little street in my electorate, who nobody would care about. It is a family of Armenians right on the corner of Tonkin Highway and Morley Drive, where it is extremely noisy. This Armenian family in this little street were concerned about the noise and wanted a noise reduction wall established there. I thought I would do the right thing and ask the minister to come out, just to do the right thing and at least see them. I can tell members that when the member for Vasse was the transport minister, he came out to Clandon Way and the whole family gathered around and one would have thought it was a party. I think about 30 of us, including kids, were in the street. I wish I had had my camera, but being a true conservative, I did not take photos. I did not do a press release; I just got the job done. Do members know something? I have the picture in my mind of the former transport minister with a child in each arm talking to the parents about their problem. It was absolutely outstanding. Within six to nine months that noise reduction wall was up and it is now a very happy little street that no-one else would really care about.

Mr S.K. L’Estrange: The minister cares.

Mr I.M. BRITZA: He does. He came out and said, “I’ll do something”, and he did. The people in that little street are absolutely delighted. I am very happy about that.

This year the government has given nearly \$1.5 million or \$2 million to the refurbishment of the science laboratories at Morley Senior High School, which have just been completed. I can tell members that it is absolutely wonderful. I keep saying to my staff, “Oh, man, I forgot to take a photo”, but we got the job done. People know when we get the job done no matter how many photos we take. Photos help but they do not do everything. Getting the job done is more important.

I want to say that raising funds is crucial. Whenever I think about the budget, I am not thinking about what the government can do. We used to joke about John F. Kennedy’s famous statement, “Ask not what your country can do for you, ask what you can do for your country.” We have to stop thinking that the government can answer every question, because the fact is it cannot. It cannot answer everything; nor should it. Like Ronald Reagan, I believe that we need to cut down government, not try to increase it, so that it comes back into the hands of the people who want to know that it can be done. I have gone around my electorate and said let us not carry on about the government—whichever government—because no matter who is in government, there will always be a pack of whingers telling the government how useless the budget is. Let us do what we can ourselves for our own electorates and let the government get us out of debt so that our children do not have this debt hanging around their necks.

As far as I am concerned, all the fiscal policies and the answers given by my colleagues have been outstanding. I will not add to that, but I want to say that I am not ashamed of this budget. I am delighted we are making an effort to make our city vibrant—the most isolated city on earth. I think it is wonderful.

It is my delight and privilege to affirm that this budget is a wonderful budget and I commend it to the house.

Debate adjourned, on motion by **Mr J.M. Francis (Minister for Emergency Services)**.

House adjourned at 10.19 pm

Extract from *Hansard*

[ASSEMBLY — Wednesday, 14 May 2014]

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