

LOAN BILL 2009

Second Reading

Resumed from an earlier stage of the sitting.

HON KEN TRAVERS (North Metropolitan) [5.37 pm]: When I commenced my remarks, I said that just about every day that we come into this place we see another example of this budget unravelling and another black hole appearing in the budget. The pace is picking up as it now seems that every time we ask a question we find yet more holes opening in the budget and the financial management of this state by the members opposite. I will go through some of these a little later on in this debate. I will point out how some of the questions in question time highlighted just how out of control the budget process is under this state government and how —

Hon Sally Talbot interjected.

Hon KEN TRAVERS: Absolutely. I started the debate by pointing out that \$20 million had been lost from the environment portfolio through what could only be described as sheer incompetence! In fairness to the Minister for Environment, on this occasion I do not think it was her incompetence that caused this because, as we heard in the estimates hearing last week, the incompetence was that of the faceless men of the committee that imposed this revenue grab on her portfolio. It is my recollection, if I am not mistaken, that the Minister for Environment told everyone that it was imposed on her. The minister stated that she was not invited to make comment and was told it was going to happen! In the same way, the Minister for Transport, with the Perth Parking Management Act 1999, advised us that he had been told the authority would increase its levy and then he would sort out how he spent the money. I suspect that when he was told to raise the funds, the people who made that decision did not realise those funds are subject to control and, therefore, could be spent only on certain purposes. I wonder whether that is also what happened with the environment portfolio and they did not realise! The government thought, “Oh, here is a levy we can raise. We can pick some money up here. We can raise some money to fund the unsustainable election commitments that we made and the budget will be balanced. We will be able to present this budget—it looks fantastic—to the Parliament”. The problem is that underneath this budget there is a set of lies and mistruths, and an incorrect analysis of how the finances of this state work.

Hon Sally Talbot: So our questions were not just hypothetical!

Hon KEN TRAVERS: No. They were not hypothetical at all. It is interesting that the opposition has been able to predict most of the things that have unravelled during this budget debate. As I mentioned earlier, we predicted that before the end of this financial year, this house would have to debate another Loan Bill to fund the Treasurer’s Advance Authorisation Bill. We were told by the government that another Loan Bill was still under consideration. However, we on this side of the house predicted that we would be back in this house to deal with a Loan Bill before 30 June—and, sure enough, we are here today to deal with this bill. I will make another prediction. I predict that before 30 June 2013, we will be back in this house to deal with another Loan Bill, because the government will have run out of money. The government cannot control its expenditure. The government has thrown into this budget a range of savings. However, the government has not worked out how those savings will materialise. The government has also thrown into this budget a range of revenue streams from increased fees and charges. The government, in its attempt to fund its unsustainable election commitments, has predicated its budget on making families pay more, and on letting off scot-free people who could probably afford to pay increased taxes and charges, even in these current economic circumstances. It is not as though the government went into this budget with its eyes closed. The government would have known that its election commitments were unsustainable. That is not to mention the numerous election commitments that the government has failed to even try to implement.

As I was saying before question time, the government is required to report to the Parliament if it deviates from the financial management principles laid down in the Government Financial Responsibility Act. The government might argue that we can wait until the midyear review for that report. However, given the nature of this budget, the government should have given us an explanation in the budget papers of how it expects to meet those financial management principles. The government has not been able to meet the financial targets that were set by the former government. It has not even been able to get close to meeting those targets. The government has shifted the goal posts and put in place new targets and new measures. The government has decided to forget about the financial management targets that this state has operated under for the past five years, and probably longer, because it cannot meet those targets, and has put in place a new set of targets that it intends to meet. The problem is that those targets are predicated on a range of factors that are beyond the control of the government. The government is gambling on the fact that interest rates will go up only because the economy is expanding—that is, that the economy will expand at a faster rate than interest rates will go up. Many economic commentators are suggesting that there may well be an increase in interest rates, but that will be due not to an expansion of the

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

economy, but to an overheated economy. This state is facing very troubling times. The government is operating not near the precipice, but actually over the precipice.

I will point out the state that we have reached. It is important with the Loan Bill to understand the state of the finances and what is happening in this process. Yesterday the *Monthly Report of General Government Finances* was released. I accept that one must be very careful about how these figures are interpreted on a year-to-year basis or even as a prediction, because the revenue and expenditure streams of government are not normally a nice, smooth, even line; they vary from month to month. That is why there can be a significant operating deficit in one month, as happened in April when there was a deficit of some \$303 million, while an annual estimated net operating surplus of \$647 million was predicted. I do not think that \$647 million is a realistic figure for the end of the financial year, but that is what the estimate was at the time.

The telling point can be seen in the revenue and expenses graphs in the document that was released yesterday. The flow of revenue this year has been quite different from those of previous years. I understand that that is probably because the land tax bills were issued late this year, and so the revenue stream came in a bit later than would normally be expected. In fact, the table shows that the revenue received to date is down by a similar amount to the end of 30 June when compared with last year's revenue. There is a reduction in that revenue of just under \$1 billion, and we are on track in that regard. Although the revenue has come in at different times of the year, it is roughly what would have been expected and predicted to come in, and a bit of a surge would normally be expected in the last couple of months. In fact, last year about \$1 billion came in between 30 April and the end of the financial year. This year we need about \$800 million in revenue to come in on target with what has been predicted.

Figure 2 shows the expenses of government and is the more telling table in this document. It highlights that the expenses of this government are out of control and the government does not have the capacity to rein them in. We have seen consistently since the midyear review was released a government that is not able to meet its expenditure targets and is not able to control or rein in the rampant expenditure it is facing. It is not the situation of a couple of years ago when we had massive increases in revenue, a massive increase in the public's expectation of what could be funded from that revenue, and massive pressures on public sector expenses for both wages and the cost of capital goods. The Perth building price index was going through the roof at that time. That is what was driving the increases in expenditure. There were pressures on the human capital of the public sector to maintain a quality public service. There was pressure on the previous government to pay those public servants more. However, this government is not facing those pressures today. If members get a copy of this document, they will see that the revenue received in some months of last year was slightly below the revenue received in some months this year, but, on average, the position is probably the same; that is, it is a bit down on last year but it is what was predicted. However, we can see in the expenses graph that in every month since July last year, expenses have gone through the roof. Expenses have been significantly above those in 2007-08. Despite the requirement for three per cent cuts and other savings in government agencies, I expect that a similar graph in the end-of-year figures available in September will show expenses for the next two months as being significantly above those of 2007-08.

The expense side in the *Monthly Report of General Government Finances* tells the same story. To further demonstrate my point, it is worth going through the expected figures in the midyear review, for those members still not convinced that this government has lost control of the state's finances. I refer members who follow these things closely to table 1, "Key Budget Aggregates", on page 2 of the *Government Mid-year Financial Projections Statement* released in December of last year. At the time that document was released, total government revenue was expected to be \$20.039 billion, yet a similar figure in the table on page 2 and page 3 of the budget, shows a slight reduction in predicted revenue for 2008-09. The expected out turn in the midyear financial review for expenses this year was \$18.853 billion, yet the expected out turn in the budget for the end of the financial year is \$19.03 billion. It has gone up. The figure below that in the midyear review highlights that government expenses were predicted to grow by 12 per cent in the 2008-09 financial year, yet the expenses growth figure outlined in the key aggregates on page 3 of the budget is for growth of 13 per cent—a one per cent jump in growth. People may say that that is nothing, but it is a very significant figure. More importantly, it shows a government that is unable or unwilling to control expense growth. That control will be the great challenge for anyone who sits on the Treasury benches in Western Australia for the next couple of years during these very tough times. It is even more telling to further drill down these figures, because we find an even greater growth in recurrent expenditure while we have been paring back on capital works expenditure. The thing that will save this state will be the federal Rudd Labor government's capital expenditure that will stimulate and grow capital works investment in Western Australia. Therefore, we will see a growth in capital works and stimulus in Western Australia, but that will be thanks to the Rudd Labor government in Canberra

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

There is no doubt in my mind that expense growth is out of control. Even in the past six months, despite the government assuring us that it was going to be okay, it has not been able to deliver the savings it expected to deliver and that it promised to deliver six months ago. We need to be aware of that when we deal with the Loan Bill tonight, because we are expected to authorise the borrowing of money required over the next four years, but there is no requirement for the government to spend that money over the next four years. As I said earlier, it could all be spent in the next two to three years, and then the government will come back looking for an increase in the credit card amount.

Hon Ljiljana Ravlich: That would be right!

Hon KEN TRAVERS: Indeed. It is of grave concern to me that we face expenses being out of control, and the government so far demonstrating that it does not have the capacity to control that expenditure or to manage future circumstances. This bill seeks approval for the state to borrow funds for the next four years. The Premier likes to talk about what is happening now and not about the forward estimates, because they do not tell the story that he wants to hear.

I will touch on the risks to this state's finances over the next four years. I have already mentioned that today \$19.5 million worth of funding was taken out of the environment portfolio budget because the government did not do its homework to find out that it could not raise a new levy without amending the act. An amount of \$20 million has disappeared from the budget today. Members might say that it is only \$20 million. However, amounts in the budget of \$20 million here and \$10 million there add up to a large amount of money. The government's approach is that as it is dealing with huge amounts of money, which are beyond its comprehension, an extra \$20 million will not pose a problem. That is the reason this state has the problem it faces today.

I refer also to the amount of \$16.4 million in the budget for Perth Parking Management Authority. The budget shows that additional revenue, but it indicates that it can be spent only on certain activities. It is already clear that this \$16.4 million in additional revenue has not been accounted for in expenditure. I advise members that the amount of \$16.4 million applies to each of the next four years, which adds up to \$65 million. That amount, added to the \$20 million from the environment budget totals \$85 million. It all adds up.

I will go through some of the capital works projects that, although we know this state government will proceed with, have not been allocated funding in the budget. The Premier said that the number one economic stimulus item for this state —

Hon Ljiljana Ravlich: What is it?

Hon KEN TRAVERS: It is the Oakajee port. The Premier decided that this government could not continue with a project that Labor was to implement and it had to be changed. He decided that this government would provide capital funding for the basin and build the port at Oakajee. Even though the private sector was happy to undertake the project, manage the cash flow and hand the asset back to the state, the Premier decided that this government would do it differently. There is no mention of that project in the budget. The Premier went to the federal government stating that it was Western Australia's number one priority and requested that it go halves in the funding of this major project, some \$330 million. One of the problems the opposition faces is that we still do not know the final figure for the Oakajee port. Apparently, it is still subject to negotiation. Negotiations between the state and the private sector about what that figure will be are ongoing. One of the reasons that this project was not included in the budget was that there was insufficient certainty surrounding the amount of money that was required and the scope of the project.

It is interesting that other projects are included in the budget, but the relevant figures have been plucked out of the air. Nonetheless, the Oakajee port project is not mentioned in the budget. We know from the rough government estimate that the expenditure that will be needed to be found by the state government is approximately \$330 million. That amount will be included in the loan requirements for the next four years.

We do not know what is happening about the Oakajee port. Perhaps the argument will be that it is a project that will be funded by the Geraldton Port Authority; therefore, it will involve borrowings that will be separate from the amount being sought in the Loan Bill. If that is the case, it will increase the amount of borrowings of \$19.1 billion in 2013; it will add to the state's total net debt; and it will have a potential impact on this state's AAA credit rating, even if the loan required is sought through a government agency. If the Geraldton Port Authority has to manage that amount of debt, it may well be that it needs a cash injection because it does not have the cash flow to fund it out of its day-to-day revenues.

I seek leave to continue my remarks at a later stage of this day's sitting.

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

THE DEPUTY PRESIDENT (Hon Michael Mischin): The question is that the member be given leave to continue his remarks at a later stage of today's sitting.

Hon Wendy Duncan: No.

The DEPUTY PRESIDENT: I think the ayes have it.

Hon KEN TRAVERS: I am happy to continue my remarks after the break.

Point of Order

Hon NORMAN MOORE: Mr Deputy President, the question is that leave be granted. Would you be good enough to ask that question?

The DEPUTY PRESIDENT: I will put the question again.

Debate Resumed

Question put and passed.

[Leave granted for the member's speech to be continued at a later stage of the sitting.]

[Continued on page 5355.]

Sitting suspended from 6.01 to 7.30 pm

The PRESIDENT: I give the call to Hon Phil Edman. I remind members that this is the member's inaugural speech and the usual courtesies need to be adhered to.

HON PHIL EDMAN (South Metropolitan) [7.30 pm]: Mr President, as I stand to speak in this chamber for the first time, let me begin by congratulating both you on your election as President of the house, and the Chairman of Committees on his election. The performance of this chamber depends heavily on these positions and I am confident that we will all benefit from the skills and experience that both of you bring to these roles.

I would also like to thank the Clerk of the house and the parliamentary staff for helping introduce all the new members to the workings of Parliament; your help has been invaluable. Furthermore, I will also take a moment to congratulate those members who, like me, are also giving their maiden speech. I can appreciate the hard work that everybody has put in and I look forward to working with all of you.

While it is customary that a maiden speech focuses on the member and his or her background, I prefer to start with some of our state's history, because we tend to forget, in such beautiful surroundings, of the vision, hard work and determination that our forefathers gave to bring us to where we are today.

Notwithstanding the history of the first Australians, Western Australia's road to colonisation began in 1827 with Captain Stirling's exploration of the Swan River area, which drove him to argue for the establishment of a colony for "free" settlers, as opposed to the penal colonies of the east. Backed by a favourable botanical report and a desire by the British to prevent French colonisation, Stirling won government support to start the new colony. Much to the dismay of Stirling, the requirements of other colonies at the time meant that British support for the colony was insufficient. Despite this and a lack of land and coastal charts for the Swan River area, the five-month voyage from England was taken, and on 1 June 1829 the Western Australian coast was sighted from HMS *Parmelia*, a moment which we celebrate every year on Foundation Day. While we can appreciate the natural beauty seen by the first settlers, it would be hard for us to relate to the hardships they faced. It was only emergency supplies from outside and the constant search for farmable land that saved many from starvation. Apart from getting enough food, the clearing of land and the building of shelter were also challenges.

Today some members may agonise over having to share offices in Parliament House, but we should take comfort in knowing that, unlike in Stirling's time, the roofs in our offices do not leak and our newspapers are delivered, because back then the local newspaper was nailed to a eucalyptus tree on St Georges Terrace. Hard times saw many settlers leave the colony, but those who stayed on did so because they had a vision they believed in and the courage to carry that vision through.

My family history in Western Australia began in 1948 when my grandparents, David and Cynthia Raeside, immigrated to Australia. Like many at the time who arrived with no family or friends, they considered themselves a "pioneering couple". Soon after arrival, my grandfather began working for Westrail, and during his career he saw many changes as Western Australia grew through the second half of the twentieth century. Working as the Assistant District Engineer in Kalgoorlie, he saw the final days of steam and helped to receive the first diesel loco to Kalgoorlie. After this, he worked in Geraldton as District Engineer when Sir Charles Court was Minister for Industrial Development. It was during this time that Western Mining hauled its first shipment of iron ore from its mid-west operations to the Geraldton port. Liaising between government and resource

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

companies of the time, he oversaw the laying of new tracks and several upgrades where existing tracks could not handle the ore trains. The heavier axle loads caused many problems and moving forward was neither easy nor without its challenges. Beyond his work, my grandfather was also a keen contributor to the community; an attribute that has been passed from one generation to another. Despite his demanding career, he gave up much of his own time to sit on the WA bush Fires Brigades Board, be an active member of the St Vincent de Paul Society and the Knights of the Southern Cross. In short, he loved this state and its people.

My parents, whom I am blessed to have with me today, are also strong believers in contributing to the community. My father ran a financial services business, was a member of Jaycees International and was a district governor for the Salvation Army Red Shield Appeal in 1984. My mother, who started her own counselling practice in 1994, helped out in the school tuck shop, did meals on wheels and volunteered on the Samaritans' help-line.

Educated in Perth, my upbringing instilled in me the principles of reward for effort in giving to the community. My brother, Mark, and I earned our pocket money doing chores. We learnt to save for the things that we wanted and were taught to care for what we had. I recall Mark and I spending our Christmas holidays helping out on Father Brian Morrison's Christmas Appeal by collecting and distributing gifts for the needy.

All through my school years I had a strong desire to one day own and run my own business: I, just like both of my parents, wanted to be my own boss. Consequently, I left school early to enter into an apprenticeship as a cabinet-maker, and in May 1991, just nine months after finishing my apprenticeship, I started my own cabinet-making business. Since then, 18 years as a small business owner has made me very aware of the issues that small businesses face, and it is a privilege to be a member of the Liberal Party, which works so hard for small business. Having been an apprentice, I am proud to say that I have personally employed several apprentices with some now owning their own businesses and compete directly with my own. Although becoming a member of the Legislative Council has led me to place my business under management, it continues to take on apprentices, with all staff living in the South Metropolitan Region.

Although being a small business owner is a large part of my life, it was a terrible storm that hit Rockingham at night in May 2003 that started me towards a life in politics. That night, I saw many boats lose their moorings and be pushed onto the foreshore. That event reinforced my view, and that of many others, that a marina was badly needed for Rockingham, and the government needed to act. After six months of lobbying government for the construction of a marina and six months of disappointing responses from elsewhere, I travelled to Canberra to meet with the then Prime Minister, John Howard, as only he and the Liberal Party had shown any interest in building this much-needed community facility. It was encouraging to finally meet people who appreciated the needs of our community and who saw the need for government involvement.

Five months later, I became a member of the Liberal Party, and in 2004 I stood for the federal seat of Brand, achieving a 15.9 per cent primary vote gain, which made Brand a marginal seat. My desire to see more amenities and services in our region remained strong, and in February 2005 I successfully ran for the council seat of Safety Bay in the City of Rockingham. During my four years as a councillor in the City of Rockingham many things were accomplished; however, the most memorable achievements were helping to obtain \$6.7 million in federal AusLink funding for the Mundijong Road extension and being at the opening of both the Gary Holland Community Centre and the Lark Hill Sports Complex after personally sourcing regional partnership funding from Canberra. Being involved in bringing amenities and infrastructure to our region and seeing just how much government could do inspired me to run for office again, and, thanks to the support of those in my electorate, I am here today.

Having spoken about this state's history, and my own, it is now time for me to speak of the future that I would like to see for our state. We all know how lucky we are to live in Western Australia but having such a large state with natural beauty and plentiful resources should not be taken for granted, and it should not stop us from seeing the many problems that still need to be fixed and the many opportunities that are still out there. No government was ever elected to simply administer everything, change nothing and hope for the best. Governments are elected to make things better and to make a difference, and to do this we must be innovative. Not all the opportunities for innovation are obvious; often the best ideas are the ones that take society by surprise, forcing us to accept that there is a better way. To be able to identify, develop and act on the kinds of ideas that throughout history have pushed society forward, we need vision, imagination and creativity. It was, for example, vision, imagination and creativity that saw the first settlers through. It was also vision, imagination and creativity that helped our resources sector grow into what it is today, but the need to push forward is never-ending. Technologies change, markets change and humanity changes, and if we do not respond—if we simply sit back—we risk being left behind.

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

In recent times we have been reminded of just how volatile resource markets can be. We have seen the fallout of dropping prices and we have seen many people lose their jobs as a consequence. The lesson from all this is that even though the resources sector has contributed so much to Western Australia, it still has to deal with local and overseas markets and economies, all of which are beyond our control. To date, we have done the right thing by working in partnership with the private sector and responsibly developing our resources, and although I am a great believer in our resources sector and its ongoing importance to the state, we must become more than our resources; we must be more than we are today. As a government we can do this by working with industry and the community to make this state a place where things happen; a place where people from all over the world want to visit. This is where tourism can tell us just how attractive our state really is because when people plan their holidays, our state is compared with the rest of the world, and the reality is that we need to offer a more diverse experience to visitors than we currently do.

In speaking on tourism, I refer to the recently-released Jackson report, which highlights the many issues faced by the tourism industry. For example, the tourism industry depends heavily on external infrastructure, which means that before tourism businesses even get to see their customers, those customers have already been experiencing Western Australia, which makes infrastructure such as our ports, roads, airports and parking very important. We should be particularly aware of our airports and realise that we are a long-haul destination for most inbound tourists and that their first and last experiences of Western Australia are often had at our airports. How good or bad these experiences are can have a strong impact on a tourist's lasting impression of our state, no matter how good we have performed in other areas. It is a harsh reality for our tourism industry that the external infrastructure it depends on is often developed and maintained by all three levels of government, often with the involvement of the private sector, which makes getting the necessary infrastructure for tourism so much harder.

Even if infrastructure is not an issue, high-quality tourism operations, by nature, require exceptional locations if they are to succeed. Development applications must tackle not only founded and unfounded community fears of inappropriate development, but also excessive red tape, which means expensive and frustrating battles with complex planning requirements and regulations. Large-scale developments need to deal with not only all three levels of government, but also multiple agencies across those governments, creating costly and unnecessary overlapping, which can block the investment our tourism industry needs. With this in mind, we must recognise that our world is so interconnected that if we become a state where ideas are held back by bureaucracy and red tape and where the biggest barrier to innovation and creativity is the government itself, our creativity and vision will go elsewhere. Where will they go? They will go where government does not resist change but, rather, embraces it. Unless we provide fertile soil for these ideas to grow, those ideas will benefit other communities, grow other economies and provide new jobs for other workers. I am glad to say that this government is responding and ensuring that we are better placed for the future no matter what it holds.

Moving to a more local focus, my desire for the electorate that I represent is for the communities of the South Metropolitan Region to be whole communities where people can live complete lives within their local area without having to go to Perth for basics such as education, job opportunities and health treatment. This is not saying that we need a second capital city; but, rather, saying that we should provide for the needs of everyone, no matter where they live, because we are not a government of a select few; we are a government for all Western Australians.

As a member of the Legislative Council, I cannot claim that we will fix every problem faced by society or that we will not make mistakes, but I can say that when potential and vision come together we, like our forefathers with their vision of a new colony, and Sir Charles Court with his vision for the state's resources sector, will nurture that vision with hard work, determination and an unshakeable belief that what we are doing is both possible to achieve and a worthy legacy for our children to inherit.

I would now like to take a moment to thank some of the many people who have helped me over the years, providing me with advice, support and encouragement. Although not everyone is mentioned, you know who you are and how much your support is appreciated. I thank Rick Palmer, Tony O'Leary and Les Dodd for their help in the electorate of Brand. I thank Barry Sammels, Chris Thompson and the late Gary Holland, whom I worked with on the Rockingham City Council. I also thank some of my many friends from the Liberal Party—John Corser, Nick Rawlins, Phil Turtle, Donna Gordin and Frank Parker—for all their help. I also thank the 500 Club for its ongoing support for the Western Australian Liberal Party; its contribution often goes unrecognised.

I would also like to thank and congratulate the members of the South Metropolitan Region team. In the Legislative Council I am joined by Hon Simon O'Brien and Hon Nick Goiran. In the Legislative Assembly I am joined by Hon Christian Porter from the electorate of Bateman—one of the best Attorneys General the state has ever seen—Mr Joe Francis from Jandakot, Dr Mike Nahan from Riverton, Mr Peter Abetz from Southern River,

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

and Mr John McGrath from South Perth. It is a privilege to be part of this hardworking team and to be part of the Barnett government.

Finally, I would like to acknowledge those who are closest to my heart. I acknowledge my mother and father, who brought me into this world, and I would like to acknowledge my wife, Virginia, and my newly born son, Matthew: you are closest to me, and it is often your love and support that keeps me going when I need it most.

Having acknowledged those who have supported me in life and in politics, I recognise that my presence in this chamber is ultimately due to the trust and support that the people of the South Metropolitan Region have placed in me. Mr President, in conclusion, the South Metropolitan Region is a great place, where I am proud to live, work and raise my family. However, it is more than just a place; it is a community, of which our team in the South Metropolitan Region is a part of. We will be working hard not only for the South Metropolitan Region, but also to make Western Australia a better place to live. Thank you.

[Applause.]

The PRESIDENT: I call Hon Michael Mischin. I remind members that this is the member's inaugural speech, and I ask that members extend the usual courtesies.

HON MICHAEL MISCHIN (North Metropolitan) [7.47 pm]: I rise in this place as a humble, grateful and proud Australian. I am humble because I know that in electing me, the people of the North Metropolitan Region have put their faith in me, and I am well aware of their expectations. I am grateful to everyone who has helped me to get here, including the Liberal Party, my family and my supporters. I am a proud Australian because I recognise and am reminded daily that I owe this country for everything I have and everything I am. Despite popular cynicism, I still believe that it is an honour to serve the community in the Parliament of a robust democracy such as ours. It is also a challenge, perhaps more so now than ever, but there are some values and institutions that must endure and are worth preserving.

I will briefly reflect on what I believe is important about being part of this institution and why it should never be taken for granted. We, the newly elected members of this place, take our seats in global economic circumstances the like of which have not been seen for nearly 80 years. The world is changing rapidly in many ways, and we owe it to the people who have placed their trust in us to adapt to, persevere with and overcome the challenges that those changes present. More than that, we owe them our commitment to ensure proper regard for, and protection of, their fundamental rights and liberties. We owe it to them to maintain a balance between the powers of this Parliament, those of the executive and those of the judiciary, and we also owe it to them to rebuild respect for the institution of Parliament.

Mr President, I am an ordinary middle-aged Australian; I make no claim to any political ancestry, or, indeed, to any lifelong ambition to have a political career. My interest in parliamentary service came rather late in life, and I have been fortunate to have been allowed the opportunity to realise that interest. I merely hope that when I leave this place, people will say of me that I served the state well. That is something that can truly be said of my two North Metropolitan Region predecessors, Hon George Cash and Hon Ray Halligan. They are men who, despite the differences they may have had with political opponents over the years, were nevertheless respected for their service to Parliament and to the community. I will acknowledge them in more detail in due course.

If I can bring to this Parliament some of the values that I have tried to live by in my private and professional life, I will consider my time here a success. Those values are loyalty, integrity, respect for others, and a commitment to do what is right. These are the touchstones that, with the forbearance of members, will guide me during my parliamentary journey.

Like so many Australians, I count the experiences of my immigrant forebears, reinforced by what I have learned through my study of history, among the most important building blocks in my life. Mischin is obviously not an Anglo-Saxon name. My parents came to Australia as displaced persons following World War II. They came here as children, with what was left of their families, and with only what possessions they could carry in suitcases. They came here in the aftermath of a war that in the 12 months before its end was killing one million people a month. It was a war that ravaged Europe and had threatened to destroy civilised society and replace it with a refined barbarism masquerading as law and order.

It was not their first dislocation. My paternal grandparents were Russians who had fled a murderous revolution and eventually settled in Yugoslavia. My paternal grandfather was killed in a bombing raid on Belgrade during World War II; my father was only about 10 years old at the time. My father's brother was an officer cadet in the Yugoslav army when the Germans invaded, and he was taken as a prisoner of war. However, my father and my grandmother managed to escape Yugoslavia and reunite with my uncle; they ended up in Germany as displaced persons.

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

My mother's family also hailed from Eastern Europe. Her family—from a small village on the Polish-Belorussian border—suffered loss and dislocation during the war, and, by its end, most of what remained of her family were working on farms in Germany. It was from there that they, like so many others, came to Australia. Mum and dad met and grew up at the Holden Immigration Camp in Northam. They married in that town and then moved to Perth. They struggled to find a place in a country that offered peace and prosperity but was nowhere near as cosmopolitan as it is today, and where sometimes immigrants found it difficult to gain acceptance. Members will understand why Hon Helen Bullock's account of her own coming to Australia and her experience of being a stranger in a strange land struck a sympathetic chord with me.

My parents worked hard and lived frugally and they provided all that they could by way of comfort, educational opportunities and familial support to me and my three sisters. I was educated in state schools—Karrinyup at primary level, and then Scarborough Senior High School—after which I attended the University of Western Australia. There, after a shaky start, I graduated in law with honours. I did my articles in a private law firm, and for a couple of years I worked for a one-man practice—that of one Athol C. Gibson, a man of generosity and of whom I have fond memories. In 1985, I commenced work at the Crown Law department as a research officer for Ron Davies, QC, then state crown prosecutor. Ron was and still is something of a legend in the legal profession and is a man whom I regard as a consummate prosecutor and fearless advocate. Anyway, that was the start of a career in criminal law that has spanned almost 24 years, almost exclusively as a prosecutor for the state. I presented cases in courts across Western Australia. In doing so, I met all manner of people, young and old, good and bad, and from all backgrounds. To do my job I have had to be able to understand what makes people tick. In the process, I have learnt to appreciate, if not necessarily agree with, other people's points of view. Of course, in the course of my career I have seen incompetence, I have seen corruption and I have seen base behaviour. But I have also had my faith in human nature strengthened by finding resilience, honesty, community spirit and generosity where I least expected it.

I have travelled widely across the state and I have seen the circumstances in which others live—city and country—and I believe that I have acquired an appreciation of their problems. In my view there is nothing so destructive to a community, even a state as great as Western Australia, as the feeling that others do not understand or care about their particular problems. I have learnt the importance of listening to others and the importance to them of knowing that they have been heard. For example, I have stayed in distant regional centres when out on circuit. Although that, of course, is not the same as living there full time, it does give one an inkling of the sorts of problems people face in those centres: the frustration of poor telephone connections, unreliable electricity, prohibitively expensive air fares, lack of accommodation in growing centres, reduced access to medical facilities, and even getting the morning paper a day later than everyone else in the state. All in all, it is the feeling that, because people are in a rural centre, they may as well be in another country altogether. I have found also that even differences between some parts of this city can be as profound as those between Perth and the remotest parts of the state. It is appreciation of this unique diversity of ours that reinforces my commitment to preserve our state's autonomy; we are, I believe, best served by a genuinely cooperative federal system of government.

I have alluded to one of the things the wartime experiences of my parents and grandparents hammered into me. What happened in Europe in the lead-up to the Second World War has indelibly impressed on me the dangers of concentrating too much power in the one set of hands and how badly power can be abused. Although of Eastern European heritage, I was born and raised in Australia. My career as a legal practitioner has made me an even greater admirer of the institutions we have inherited from Britain—ideals such as an independent judiciary, an independent civil service and the concept of a bicameral legislature. I accept that, as a general principle, the government of the day should not be obstructed in its legislative program. But that does not mean that the manner in which it implements its program should not be examined with the utmost probity and, when necessary, opposed. For example, in some cases when public passions over an issue are inflamed, a hasty response may result in laws that are badly drafted or have unforeseen or undesirable consequences. We cannot afford the luxury of allowing expediency to triumph over principle.

Our system provides us with a cooling-off period and an opportunity for further examination and consideration. No publisher, for example, would consider sending something to print without it being reviewed by a proofreader, yet the way we are going I genuinely feel that the erosion of our rights and freedoms may occur by stealth. I acknowledge that the community's desire for security, whether it be from terrorists or thugs in pubs, creates a seemingly increasing demand for regulation. There is an assumption, its genesis probably in the concept of the welfare state, that governments can cure every ill. But laws alone cannot eliminate every risk a citizen faces, and no human institution has ever functioned with machine-like precision, let alone satisfied everyone's expectations of it. Laws can provide only a measure of our rights and obligations; they guarantee nothing.

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

History has shown us that such a quixotic search for state-guaranteed safety can result only in the creation of a police state. We must be wary in our search for security and to perfect our institutions that we do not lose the flexibility that allows them to adapt and to evolve. This, after all, has been the source of their resilience over the centuries and their value until now. Let me say that I believe the greatest defence against that is not a bill of rights. We will not protect the people by abrogating responsibility to unelected judges or to broad and bold statements of principle that do not allow for subtlety and necessary exception. People can, however, protect themselves by better understanding the basics of our system of government and the institutions upon which our society is founded. We, as legislators, can protect the people by exercising our power in the most principled way. The latter is why the Legislative Council continues to have a vitally important role in our system of government and why I am particularly grateful to be able to serve in this place. But, as every comic or movie superhero knows, power carries with it responsibility. I believe our responsibility is to deal with the business before the house diligently and expeditiously and to not wilfully obstruct the progress of matters before it by insubstantial attempts at point scoring. I believe that obstruction and disruption are an insult to the dignity of this house and a betrayal of the responsibilities that we bear towards our constituents.

It is customary on this occasion to acknowledge those who have contributed to my being in this place and I am honoured to do so now. There is a risk in this, of course. Firstly, there are so many to whom I owe so many things that to mention them all might take up not only the rest of tonight but also part of tomorrow. Secondly, it will inevitably mean that I will miss someone out or not do someone justice. Therefore, I will specifically name just a few people in the knowledge that those whom I do not mention by name will know that their contributions are close to my heart and I shall not forget them.

I have already thanked my constituents. The reality is that people who vote for candidates in this chamber are primarily voting for a party. I recognise that I am in this place as a representative of the Liberal Party of which I have been a proud member for some 17 years. Nevertheless, I especially thank the 161 North Metropolitan Region voters, out of 280 235 voters who cast a ballot, who eschewed the party ticket and gave me their first preference. I had no idea I was that popular, but I can assure you, Mr President, that even my extended family is nowhere near that large!

I now turn to those who had a direct influence on my being elected. Firstly, I thank my wife, Robyn. Her love and friendship have sustained me in the hard times and, despite her serious misgivings about the impact my change of career is going to have on her quality of life, she nevertheless continues to support me. I thank my family and my parents, George and Maria, for their love and nurture, for doing the best they could for me and for providing me with what they were able. I thank my parents-in-law, John and Noelene, who have supported and encouraged me and, as a bonus, are great friends. To my sisters, Lana, Tania and Nadia, I thank them for putting up with me all these years. To Hon Peter Collier, I also say a heartfelt thanks for his inspiration, counsel and support. I marvel—no pun intended—at his energy and the commitment that he brings to the job, and I look forward to adding a long and fruitful working relationship to our enduring friendship. I thank the Liberal Party for its support. I thank my branch, Dalkeith, which has a wonderful bunch of people, such as the president, Ann Patrick, and the vice president, Ian Warner. Our branch activities have been dedicated to not only the advancement of the Liberal cause, but also the principle that we should have fun while doing it, and I think we have tended to succeed in both. I also thank the other members in my division and the neighbouring divisions within my region for their support and confidence in me.

At this point, I further acknowledge the contribution of Hon Ray Halligan. As the Leader of the House said on the occasion of Ray's retirement, Ray has been a tireless worker for our parliamentary party. He has had a long and genuine interest in the ethnic communities of the North Metropolitan Region and throughout the state, and he has contributed significantly to this house and to its committee system. I also acknowledge and thank him for his personal support, his encouragement and his advice since my election. One of my objectives will be to maintain the high standards he has set.

I also wish to pay tribute to Hon George Cash. I need not recap his long and distinguished career in politics, our party and this Parliament. His achievements speak for themselves. For me personally, however, George has been someone who has also generously volunteered his time, his counsel and his wisdom over the months since my election—my period in limbo, as it were. I shall certainly value his advice in the future.

I wish to acknowledge the assistance of the parliamentary staff and the help that they have given me over the past several weeks, and the level of professionalism they bring to bear to their duties.

Lastly, I would like to acknowledge the support of my electorate officer, Sherril Paternoster, and my research officer, Peter Ramshaw, and thank them for their enthusiasm to join me in what promises to be an exciting and rewarding adventure.

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

Like most newly elected members, I arrive here as a relative neophyte. My experience in law for some 24 years will no doubt help me, but I am, nevertheless, conscious that I am starting at the bottom of an evolutionary ladder. I know full well that I have very much to learn. At the same time, I do believe that I have something that I can contribute. I look forward to working with my parliamentary colleagues, whom I thank for the warmth of their welcome since my arrival here. I also look forward to working with, and, as necessary, opposing, the members on the other side of this chamber. I look forward to doing that with the conviction that whether we work in concert or in conflict, we are doing so for the betterment of this institution and striving for the benefit of the people of Western Australia. I look forward to serving my electorate and the people of the state as best I can; I look forward to honouring this Parliament and this chamber; and I look forward to honouring the Liberal Party.

On a parting note, I would like to say that my experience in nominating for, being selected for and winning a seat in this house has been a journey that I will never forget. As Western Australians, we should never forget what a privilege it is to be able to be involved in politics in our uniquely Australian way. We must never forget the unique freedoms we have and must cherish these above all else. One of the most satisfying things I have found about polling day—apart from winning, of course—is the fact that no matter what passions are aroused by the issues and the circumstances on the day, or in the weeks leading up to it, voters can cast their vote with the confidence of knowing that they can then go home safe and sound. That is a lot more than can be said about so many other places in the world. I would like to be able to do my bit to keep Australia that way.

I thank you, Mr President, and members, for your patience and your indulgence.

[Applause.]

The PRESIDENT: I call Hon Mia Davies. Once again, as it is the member's inaugural speech, I ask members to observe the usual courtesies—and that applies particularly to members not sitting in their own seats.

HON MIA DAVIES (Agricultural) [8.10 pm]: Thank you, Mr President, and I congratulate you on your recent election. I look forward to working with you in this chamber. I also extend my thanks to the Clerk and staff of Parliament House, who have made the new members feel welcome and have provided us with valuable guidance. I also acknowledge, with respect, the traditional custodians of the land upon which we meet. I also acknowledge my friends and family who have joined us this evening in the public gallery, and those who are watching via the World Wide Web. It is wonderful to have them close by as I shake my way through my first address to this house.

It is indeed a humbling experience to realise that I have been elected to be one of just 95 people who sit in this Parliament and have responsibility for legislation that will impact on the lives of every person of this state. I remember the day that Hon Colin Holt, Hon Philip Gardiner, Hon Max Trenorden and I were confirmed elected, for more than one reason. Without doubt, there was a sense of personal achievement to think that a girl from the bush could end up in this place. More importantly, I recall the moment my name, along with those of Hon Philip Gardiner and Hon Max Trenorden, appeared on the screen at the Fremantle Passenger Terminal on the day the count for the Agricultural Region was finalised as being a triumph for the WA Nationals and the people of regional Western Australia. On that day, our small political party with the lofty aim of holding the balance of power in the Parliament and delivering our key election commitment, royalties for regions, achieved what the pundits had claimed would be impossible.

I will talk about royalties for regions later. At this stage I ask for the indulgence of members as I tell them how a girl from the bush ended up in this place. If what my colleague Hon Colin Holt said in his inaugural speech is true, that all the things we have done in our past are preparations for what we about to take on, it would seem that a life in politics was a path set for me some years ago. I grew up in the central wheatbelt on the family farm in Yorkrakine, an area between Tammin and Wyalkatchem, approximately 200 kilometres north east of Perth. I will paint a picture for members that illustrates the humble beginnings of many families in this region. In April 1908, the then Minister for Agriculture and Lands, James Mitchell, having traversed the area between Tammin and Yorkrakine Hill, arranged for 51 sections to be surveyed in the Yorkrakine and Korrelocking areas. Blocks of country were valued at 10 to 12 shillings an acre, with the payment to be made over 25 years. In 1899, labourers' wages started at seven shillings per day, and a man, horse and cart could be hired for 10 shillings a day. In today's currency, this equates to land prices of \$1.20 an acre, labourers' wages at 70 cents a day, and a bargain price of one dollar for a man, horse and cart. How times have changed! Unemployed and married folk with large families were invited to apply through the local press and, of the original settlers, five of the families had 10 or more children, and the smallest family consisted of six. These families eked out a living in a harsh and unforgiving environment. They lived in houses made of hessian bags and corrugated iron with dirt floors while they cleared the land for farming. They did it with no mechanical equipment, just sheer hard yakka. In amongst this work, they found time to build their community, open a general store, build a town hall for gatherings and form sporting clubs. The schools, hospitals and sealed roads came much later. They built their communities from

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

scratch, with little assistance from the government of the day. In fact, James Mitchell was criticised for his bland optimism in allegedly throwing new settlers into the bush with just an axe, claiming that new railways and a little muscular activity were all that was required for success. He became the prime target for the Farmers and Settlers Association, founded in 1912, and two years later the association returned eight Country Party members to the Parliament.

Today, there are fewer families and bigger farms. Ten families remain in the area taken up by the original 51. Names like the Hutchisons, Ryans, Everetts, Tilbrooks, Charltons, Nocks, Naughtons, Maitlands and Falkeners are still there. Other early settlers, including my family, are also in the district along with the dePierres, the Divers and the Mackins. My childhood was spent on the family farm. My Mum returned to Wylie with Dad the year I was born, and remained there for the next 20 years. Dad, his brothers and their wives worked with my grandfather, Lloyd, and my dear Nanna Iris and built the property and merino stud into a successful business enterprise. I know that Nanna and Pop would have been so proud to see me standing here today.

My primary school years were spent at Wyalkatchem District High School. It was a small community and I am privileged to say that I still count some of these schoolmates as my close friends. Boarding school was the next challenge, and at 13 years of age I left home and headed to Perth to attend Methodist Ladies' College. If nothing else, boarding school broadens a person's horizons. I learnt to be independent and to look after myself. Many of you may know that MLC and Christ Church Grammar School are located side by side. In those days my boarding house, Langsford House, was located right on the boundary of the school. On the other side of the fence, not 10 metres away, was the Christ Church boarders' year 10 common room, with a gate that was usually unlocked. But that is not where this story is going. What was always curious to me was that the girls in the boarding house were expected to manage their studies and attend to domestic duties such as their own washing and ironing—and we cleaned on the weekend—while it seemed the boys on the other side of the fence were able to put their washing into a bag and have it delivered back to them the following day while they had fishing passes and day leave. It just goes to show that even at that young age women are able to multitask. I enjoyed those years and the opportunities the school offered me. My interests tended towards art and music, but my upbringing meant I also played a bit of sport. I hasten to add that I was much better at literature, art and music than on-field pursuits. Unfortunately, the only sporting prowess I inherited from my father, who was an accomplished sportsman, is my love of the Fremantle Dockers.

School was followed by university where I studied science for a year, followed by three years of studying marketing and the media. Again, the friends I met during that time have remained some of my dearest. On graduating, I left Australia for two years to travel and work overseas. I did everything from working for London Underground, pulling beers at a pub in Ascot to selling cocktails to tourists in Majorca, and I was a housekeeper-percum-maid in a stately home in Essex. I had a fabulous time.

Mr President, I have had a privileged upbringing. My family gave me the best possible start in life, a safe and loving home and an education that was second to none. Sadly not every child has the same opportunity. An education is something that once gained can never be taken away. It is a pathway to employment, understanding and empowerment. Education breaks down barriers—racial, social and economic. It can put people on a level playing field, depending on how they choose to use it. It is a reality that people who live in regional WA may not have access to a school, university or TAFE close to their home, or their school may not have a teacher who is qualified to teach science or English literature. It is also a reality that students from regional WA are poorly represented in the state's universities. We must get better at supporting families and students to make sure every child and adult gets the education they deserve. My mum, who is here in the gallery tonight, has taught more year 1 students than she probably cares to remember. Those early years are so important. We must get better at supporting the people who teach our children. They are an important part of our community.

Members may recall that I mentioned the names of the pioneering families of Yorkrakine, including the Charltons, the Divers and the Davies. Some members of this house will also recognise these names as people who have served as members of this house. Sir Leslie Diver, Hon Eric Charlton and Hon Dexter Davies have all represented country people as members of the Nationals, and its forerunner the Country Party. As history has it, I believe I have Eric Charlton to thank for my family's involvement in state politics. He was a close neighbour and he convinced my father to attend his first branch meeting, and from there stemmed a long association with the party. Dad was the state president of the Nationals for 10 years. He took his place in this house in 1998 on Eric's retirement, and his time here ended in 2001. Since then, he has continued to work tirelessly on behalf of regional communities. I will strive to apply the same dedication and tenacity that he exhibits in daily life. I know him to be well regarded by members on both sides of this house, and he is and will remain an inspiration and a mentor to me.

Despite this political category my real interest in politics grew from my first job. My professional career started in Hon Max Trenorden's leader's office working as a receptionist, and a research officer. Having shown little to

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

no regard for the political process throughout school or university, I felt I had come home to the Nationals. I thank Max for giving me that opportunity. Opposition is a great training ground, and my pre-season has been a long one.

I continued working in the leader of the Nationals' office under the leadership of Brendon Grylls until the private sector beckoned and I took a position with the Chamber of Minerals and Energy of Western Australia. This role took me to the north west of the state. I was a regular visitor to Port Hedland, Karratha, Newman and other towns throughout the Pilbara. That is a vastly different environment from the one I grew up in, but the people and their stories are the same—different faces, same stories.

I turn now to my electorate, the Agricultural Region. The Agricultural Region covers the four Legislative Assembly electorates of Geraldton, Moore, Central Wheatbelt and Wagin. It stretches from Kalbarri in the north to Bremer Bay in the south and is home to a diverse number of communities. The Western Australian Electoral Commission defines the Agricultural Region as a region in which the land is used primarily for agricultural purposes. This may well be the case, but there is also a wealth of activity beyond farming in this region.

As luck would have it, last week *The West Australian* published a booklet titled “the wheatbelt: inside the state’s heartland”. That booklet provides a snapshot of my electorate and the diversity of the communities I represent. It begins with Burracoppin, noted as the starting point for the construction of the state’s first rabbit proof fence. It highlights Meckering, a tiny town, once flattened by an earthquake, that is currently promoting itself as the perfect base for fly in, fly out workers. It speaks of Westonia, home to the 98-year-old Edna May gold mine, once one of Western Australia’s richest mines, and set to reopen on the back of improvements in the price of gold. It speaks of Merredin, soon so be home to one of the biggest wind farms in Western Australia. It speaks of Mukinbudin, the men of which are about to hold the first “Men’s Shed Conference”. That conference will be held in what is said to be “one of Western Australia’s most impressive men’s sheds, built in 2007 after it was decided that a group of local retirees restoring farm machinery needed somewhere to work”. What started as a group of men tinkering on machinery has grown into a forum for promoting men’s health, combating depression and isolation, and raising funds to assist the local community. What a wonderful story. It also mentions Wickpin, once home to Albert Facey, author of the Australian classic *A Fortunate Life*. It highlights the innovation of the Moora Shire Council, which came to the rescue of long-term residents of the Kingsway Tourist and Caravan Park in Madeley who had received notice that the park was about to close. People from the Moora shire bussed residents up to the town and presented a pitch for them to move into a purpose-built lifestyle village on the outskirts of the town. The booklet says that 10 of the Kingsway residents will be relocating to Moora. The booklet also talks about Jurien Bay, which boasts a ballet school run by a former member of the Royal New Zealand Ballet and Europe Dance Troupe.

The booklet also mentions Darkan. While I am speaking of Darkan, I would like to acknowledge another special person who is in the gallery tonight—my granddad, Mr Donald South. Granddad is my mum’s dad. He and my nan, who is no longer with us but is certainly watching over us, raised my mum and her brother on the family farm in the wheatbelt shire of West Arthur. You see, the country is in my blood, on both sides of my family. My nan and granddad, as with my nanna and pop, were committed to their family, their farm and their community. My grandad is a true gentleman—softly spoken and generous, without pretension or a need for material things. In this fast-paced, materialistic world, I am pleased to say that we still have time for the odd game of Scrabble. While my granddad’s preference would be to not step foot in Perth for the remainder of his years, he has made the journey to be here tonight.

I return now to the towns of the Agricultural Region. In Katanning, almost seven per cent of the population are Christmas or Cocos islanders. Originally attracted to Katanning to work in the meat works, they are now a valued and unique aspect of the Katanning community. The booklet also mentions Wagin and the Wagin Development Association. The Wagin Development Association has come up with a novel idea to deal with excess groundwater in the shire and create a new industry in the town. It is proposing to pump excess groundwater into fish tanks or ponds that will be appropriate for farming saltwater fish species. Finally, I come to Geraldton, a thriving town, 450 kilometres north of Perth, supporting agriculture, fishing and mining industries. It is on the cusp of major growth. I could go on. Every town has its own story—far too many to recount tonight.

The great qualities of innovation, adventure and pioneering spirit are in the blood and bones of the people in these regional communities. My dad said that in his maiden speech to this house just over 10 years ago. They are people who ask for little and give generously, even if the only thing they have to give is their time. It is not unusual to find that the person who drives the ambulance for St John Ambulance also umpires the kids’ sport on the weekends and turns up for the busy bee at the school. It has been, and always will be, the case that country people wear many hats to make their communities work. They will adapt themselves to their environment and find new ways to sustain themselves. But there is no place for rose-coloured glasses when we are looking at life

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

in the regions. Life can be tough. Our rock lobster fishery—one of the most valuable in Australia—is under immense pressure, and the livelihoods of many families are under threat. Our farmers, whose livelihoods depend on the winds of Mother Nature, find themselves working in an ever-increasing competitive global market. As a government, we have recently given them another tool to deal with this changing world. I support the Minister for Agriculture and Food’s move to introduce genetically modified organism trials throughout the state and will watch with interest as they progress.

New mines are being opened throughout the region, and with the promise of a diversified economy, towns are faced with new population dynamics. Geraldton will become the hub for mining in the mid-west and it will take the commitment of all tiers of government, the private sector and the community to apply lessons learnt from other parts of the state to maximise the opportunity for this region.

Balancing care for the environment with development continues to challenge us all. It is not a new phenomenon in the Agricultural Region. Long before it was fashionable to be green, our farmers and country towns were finding new and innovative ways to deal with rising watertables and the scourge of salt. I am firm in my belief that regardless of whether scientists agree or disagree with climate change, we all have a responsibility to reduce our carbon footprint.

Mr President, although the physical environment can sometimes define regional Western Australia, it is the social fabric that makes a community. Recent events have shown that we still need to work hard to break down the barriers of racism in our communities. Is it too much to ask that everyone stops to take a moment to walk in another person’s shoes? We are a lucky country. Our forefathers fought and died for the freedoms we enjoy today. In his inaugural speech, President Barack Obama said that America’s “patchwork heritage is a strength, not a weakness”. Australia is not so different. I was proud the day Prime Minister Rudd said sorry to the Aboriginal people of this nation. There is still much work to do and it is incumbent on leaders of our community to continue to reconcile past deeds, but surely the first step in healing any rift is to utter that simple word.

The unique social fabric of each of the communities in the Agricultural Region is what holds them together. They have chosen to live, work and invest in the region. Some, like my family, have been there for nearly a century. I hope that others will move there tomorrow. I stand here ready and willing to listen to each of these communities. I will be their voice in this place. I ask all members to listen and learn along with me, and I will do the same when they are representing the needs and aspirations of their regions.

Mr President, it will surprise some people in the gallery that it has taken me this long to mention President Barack Obama. Last year I joined the world watching the American presidential election with great interest as Barack Obama campaigned on hope, change and progress. It is my great hope that his presidency is marked by the same stunning moments created during that campaign. I truly hope that he can deliver on his promise to Americans and the world that change is possible. The context within which Obama took his message to the people of America was not dissimilar to our approach in Western Australia. I am not overstating the point when I say that people living in regional WA were feeling neglected and forgotten. We are a resilient lot—self-sufficient and stoic. But in the lead-up to the 2008 state election, the electorate was apathetic. We had told people that one vote, one value would destroy their political representation. In fact, we had done such a good job of convincing them that it would spell the end of regional representation that it took a lot of convincing on our behalf to show them that the Nationals had rallied in the face of adversity and were ready and willing to deliver the change they were looking for.

I think it is true that in each of us there is a Barack Obama waiting to burst out. Who has not dreamt of giving a speech that captures the imagination of thousands of people? Who has not dreamt of giving a nation of people hope and creating a sense of renewal and excitement? Who has not dreamt of giving the “yes, we can” speech? Under the leadership of Brendon Grylls and Wendy Duncan, the Nationals took the “yes, we can” message to the regions. We stepped out of the election cycle and out of the campaign box and started the process of rejuvenation by inspiring the electorate. There was no room for the left or right of politics in this message. We were simply saying that if regional people wanted representation in the Parliament, they needed to back the team that could deliver change. Of course, we did it without the pomp and fanfare that goes hand in hand with an American election campaign; we would have been laughed out of town. Instead, we travelled to each corner of the state, telling people that their vote could make a difference. Along the way, we collected people who had never considered voting for the Nationals before. We found the challenges facing communities in Port Hedland, Kalgoorlie, Kununurra and Tom Price were the same as those faced in any town in our traditional heartland—different faces, same stories.

Every person has the right to a decent health service, an education system that supports and nurtures their children and the opportunity of gaining employment. Further to this, every community should aspire to make

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

their town or city a better place to live, work and invest in. Royalties for regions will assist many communities to do just that.

A bill to enshrine royalties for regions in legislation will shortly arrive in this house from the other place. It is my hope that all members will support this bill. It is my great hope that all country members of this house will support this bill. Royalties for regions is much more than the sum of royalties quarantined in the proposed fund.

With some programs, what people see is what they get. For example, funding this state's Royal Flying Doctor Service was the right thing to do. Most country people do not have a Royal Perth Hospital or a Princess Margaret Hospital for Children in their town. The Royal Flying Doctor Service is the next best thing.

The Country Age Pension Fuel Card is a \$500 fuel card to mitigate the cost of living and match both the Australian Labor Party's and Liberal Party's promise of free travel on public transport for pensioners.

Developing the Ord will bring benefits to the entire state. It is much more than a commitment to agriculture. It is about developing communities outside Perth, creating employment and wealth for everyone who lives in Western Australia. It is absolutely the role of government to facilitate development, and not just in the city where it may be cost effective.

Royalties for regions has also increased the boarding away from home allowance, a long overdue measure to support country kids and their education. Similarly, it has provided funding to create incentives to encourage our small and mid cap mining companies to continue to invest in greenfields exploration. We should be supporting industries that create jobs in and revenue for our state.

These initiatives have obvious benefits. The effect will be almost immediate. Not all royalties for regions initiatives will have such an immediate impact. Some of the funding will create intangible profits. The real story behind royalties for regions is empowerment—communities taking control of their destiny and shaping their future. The regional grants scheme, the country local government fund and funding for community resource centres is a first step towards decentralised decision making. The notion that these communities will squander or waste these funds is laughable. They know the value of a dollar, and they know how to turn it into three. At the risk of sounding clichéd, this policy has delivered hope. Change is happening and progress is not far behind.

While royalties for regions seeks to redress years of neglect and centralised decision making, it is incumbent on us to start planning the next step. We need to re-examine the way we govern the regional and remote areas of this state. Cost shifting between tiers of government, siloed approach to delivering services and infrastructure and centralised decision making has not served us well. I give notice that I will use my time in this place to better understand these processes and how they can be improved. It is a lofty ambition, but we should all be aiming high. To succeed would indeed be progress.

Mr President, I am the sum of my life experiences and I have shared these with many people. To begin with, as this is the first opportunity I have had to speak, I would like to thank the Leader of the House, the Leader of the Opposition and the leader of the Greens for supporting the motion that passed through this place last year to reinstate me as a member of Parliament. My journey to this house has not been without its challenges, but it has been said that, "What does not kill you, will only make you stronger." I am expecting the powers of Wonder Woman to kick in any time soon.

I would like to thank my parliamentary colleagues for their support and advice. To Brendon Grylls, you are an inspiration and the journey has been a blast. I look forward to the next four years.

I extend a big thank you to the members of the Nationals for the opportunity to represent this great party; in particular, Pat Hughes, Allan Marshall, Ian Robertson, Leigh Hardingham and Darren Moir. I thank them for backing a young woman to represent this great party. On that note, I will have to include a gratuitous tickety-boo and acknowledge and thank Darren for his advice and guidance over the past years. To Mr Doug Cunningham, a man who has taught me much, and the team in the leader's office—Jill, Aila and Jane—who have shared so much of my journey, thank you. A special thank you to Susanna Ling and Marty Aldridge; it is an honour to have them as friends and colleagues. Thanks must also go to Hon Murray Criddle for his advice and counsel on my decision to run as a candidate.

I am nothing without my friends and family. My friend Claire, whom I have known since the first day of university, is, at the ripe old age of 30, about to become Dr Smallwood and I am Hon Mia Davies. That is not too bad for two chicks who have slept in nearly every train station and bus port in Europe, stood in the rain to watch Jimmy Barnes at the Doodlakine pub and had a strategy for getting tickets to the AC/DC concert. The dePierres family—Colleen, Paul, Madeleine and Juliane—are an extension of my family. There are not too many people in the world who can say that they have friends whom they have known their whole life. I thank Mads and Rich for sharing their house with me last year as I saved to buy my own.

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

Mr President, you will be pleased to know that I am nearly done. My last thank you is to my family. I have spoken about my father and the contribution he has made to this state through public life. At the end of the day he is my dad. He is one of the most patient and generous people I know, and I love him. I spoke earlier of my mum and her contribution to this state as a teacher. She has stoically turned up to every National Party function as dad's partner—and continues to do the same for me. She is a confidante, a counsellor and a friend, and I love her. Finally, my sister Emma. Em, you make decisions about people's health and wellbeing on a daily basis and deal with people when they are at their most vulnerable, yet you remind me that there is more to life than just work and I love you for it. This path will no doubt be challenging, but my promise to all is that friends and family make me a better person, so there should always be time for them.

I will leave members with one last anecdote. I recently attended the funeral of the father of one of my friends. They are a large family from the wheatbelt, and as is the case at many country funerals it seemed that the whole town had turned out. I had never met my friend's father, but his story seemed familiar to me: family farm, boarding school, kids—not too different from my own family. My friend gave part of the eulogy and he has given me permission to relate this story. His father was at boarding school in Perth and, by all accounts, was a fairly outgoing fellow. He had reached a crossroads in his schooling and had decided to return home to the family farm rather than stay on at school. On learning this, the principal called him into his office for a chat. He asked him why he was leaving and urged him to stay on to complete his matriculation. He was puzzled and said, "Sir, I'm not sure why you want me to stay. I'm not the brightest in chemistry or maths and I'm not your star footballer or track and field athlete." The principal responded that he was the "sort of person they wanted at the school" and that "he had qualities that had earned the respect of the staff and fellow students". Mr President, it is my great hope that I can acquit myself and my duties as a member of this house with similar aplomb—perhaps not as the brightest or best, but to make a contribution that will allow this Parliament to make good decisions and to provide governance that will bring change and progress for the benefit of all Western Australians. Thank you.

[Applause.]

HON KEN TRAVERS (North Metropolitan) [8.36 pm]: I congratulate all three members who have just given their inaugural speeches and I look forward to serving with them in the chamber, along with the other new members who have arrived and have either given their inaugural speeches on other days or have yet to give them.

Before the dinner break I was going through some of the issues which sit outside of the budget but which will have a clear financial ramification for the budget. I guess, until the government makes a decision to not proceed with these items or to cancel other items or, alternatively, there is a massive turnaround in the revenue receipts of the government, these projects will place further strain on the budget and blow out the total borrowings of government over the next four years. I mentioned earlier the Oakajee port project. The next project I want to talk about is the Northbridge Link project, which will cost \$250 million of state government money. Again I am not sure why this project was never included in the budget. Although there might have been an argument about the scope of the Oakajee project, I do not understand why there was a problem with determining the scope of the Northbridge Link project, considering the amount of work that had been done on it in the past. Again, it is some \$250 million-odd that is yet to be incorporated in the budget. Another project is the redevelopment of Midland hospital for which there is some money but certainly not of the magnitude of \$180 million, which the federal government has granted and on my understanding we need to match. I expect, based on my experience of the cost of upgrading Joondalup Health Campus, that \$360 million to build a 300-bed general hospital is probably about right. We will need to find that money to match the commonwealth government's contribution, either in this budget or in a future budget not long beyond the time of this budget. Another project would be a new sports stadium in Western Australia. The new sports stadium in Subiaco has been put on hold. I think that is really code for "cancelled" in the current climate. That is a great disappointment. I certainly could understand the need to defer it. If we want to look at infrastructure that could actually provide a long-term economic benefit to the state, that is one. I may come back to that later.

The government has made it clear that it still wants to be part of the FIFA World Cup bid for 2018 or 2022. The reality is we do not have a stadium in Western Australia that meets the criteria for that bid. If the state government wants to be part of the bid in 2018 or 2022, it has to come up with the money—probably starting at some point over this current four-year period. If we are successful in the 2018 bid, money needs to be put into the budget at some point between now and 2013, which is the period this Loan Bill is supposed to provide coverage for, for a new stadium. It has been proposed that we build a similar stadium to those found elsewhere around the country—namely, a 25 000-seat permanent stadium with capacity to expand to 45 000 seats for the purposes of the World Cup. If we take that short-sighted fix, the estimate for that project is \$250 million; I suspect that it will probably be slightly higher. Even if we accept that that is the figure, it requires \$125 million

of state government money. Again, a lot of that may be spent in the years beyond 2012-13, but a sizeable sum of money needs to be allocated at some point over the next four years.

I will go through the road projects that have been funded. There are numerous projects in the budget that require commonwealth government funding to bring them to fruition. There is no guarantee that we will succeed in getting commonwealth funding. Those projects were not put in as part of the Infrastructure Australia bid. The projects around the airport are certainly in the budget but there are a number of projects that I would very much doubt the commonwealth will come to the party on—some that I hope it does. But the question remains: does the government intend to proceed with those projects if it does not get commonwealth money? If that is the case, it has to double its contribution if it believes the projects are of sufficient magnitude. The true source of funding is not allocated in this budget. I want to go through some of them. There is the airport roads at \$535 million or thereabouts. It may end up being higher than that. It is absolutely essential that those roads are in place by the time the domestic and international terminals are amalgamated in 2018. Significant amounts of work will need to commence. There is some money in there but I suspect that there is probably not enough money to do the sort of work that needs to be done on those roads.

Before I go through any more projects, I refer to one of the issues of concern: what will be in the future out years? When we look at the way the budget is structured, unless we get a significant increase in revenue streams coming into this state, the sum total of money going into capital works by the time we get to the 2012-13 year is approximately \$100 million from the state government. We drop to a very small amount of \$31 million coming out of the capital side of it. The other \$69 million or thereabouts comes out of the money that is appropriated through the Road Traffic Authority from motor vehicle licences. The trend over the next couple of years, in terms of expenditure, is for more and more money to go into recurrent expenditure and less and less money to go into capital works. I do not know whether that is the case, but I would hope that that is about trying to fix up the backlog in road works. The contracts that were entered into 10 years ago by the Court government have created the circumstances that we now face as a state. For 10 years, basically, we have not been able to get proper maintenance done on our roads. It is worth looking at the budgetary implications, not just in 2013 but just beyond that year. Roe Highway stage 8 is a \$550 million project, of which approximately \$80 million of state government money has been allocated in the forward estimates. A total sum of about \$166 million will be forthcoming from the state and commonwealth governments, with the commonwealth money yet to be committed to. That means that immediately following these out years, the state government will need to find \$170 million to finish off that project. This budget will leave future governments with no option but to continue that project if the work has already commenced by that stage.

The next project I could mention is the Esperance-Coolgardie highway, a very important project that will provide alternative access into the Esperance port. That is a \$125 million project. It has been deferred so that Roe Highway stage 8 can be brought forward but it will still need another \$80 million of state government funding in the years immediately after 2013 if it is to continue to progress in the current time frame. That is a significant sum of money to be added to the budget. Then we have the upgrade of Leach Highway, an important project that will lead into Fremantle port. Some \$65 million is required for that project. A range of projects were outlined during estimates hearings last week relating to the freight management network that have all been deferred to make way for Roe Highway stage 8. The total bill for those projects is around \$350 million. Going through the budget, again, they will be jointly funded by the federal government but very little state government money has been allocated. We are looking at a minimum of \$400 million or \$500 million in the budget just beyond the period that we are dealing with in this Loan Bill, but money that will be locked in if we are to follow the forward estimates as they are outlined in the budget. That will leave a significant burden on the state and will potentially require additional loan money beyond the period that we are dealing with. When we start these projects, we need to be aware of our capacity to fund them.

It is interesting to look at the net-liability-to-revenue ratio. For every approximately \$300 million additional money, another one per cent is added. If we add up the cost of those projects that I mentioned, we can clearly see that we are getting very close to an additional five per cent. The importance of that figure is that it takes us over the 90 per cent trigger that puts our AAA credit rating at risk. In today's debate we can purely try to look at what will happen up to 2013, but I am sure that the ratings agencies will be looking at the trends beyond 2012-13. At this stage a lot of these projects have been pushed out so far that it is arguable that any real commitment will not happen for another year or two. If the government is true to its word and it progresses those projects, we will be in great difficulty. That is not to mention all those other \$10 million and \$20 million amounts that are floating around in the budget that will cause pain and anguish in the long term. On top of that, a number of other projects sitting outside the budget will also have an impact on our total net borrowings and may potentially require some form of equity contribution from the state government because they will be completed by government trading enterprises. One such project is the 330-kilovolt powerline between Perth and Geraldton. That is a project that is worth borrowing money for. It is a project that will pay for itself and stimulate the economy. It will also

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

stimulate Geraldton and some of the regions of Western Australia. It is a fantastic project. Not all debt is bad debt; there is bad debt and there is good debt. The 330-kilovolt powerline would be a very good piece of infrastructure and would be worth borrowing money for. However, according to the minister, it will now cost some \$700 million, and no provision has been made for it in the budget. If the minister is genuine when he says that the project has been deferred rather than abandoned, that money will need to be factored in at some point over the next four years. As I understand it, Geraldton will need this power supply within the next couple of years because power supplies in Geraldton will run out; it will simply not have the capacity to meet the demand for energy. That is why there was a fair degree of time constraint in getting that project up and running. I would have thought that that was a key project for which funding should have been allocated in this budget. It will need to be done because if it is not, the development of the entire mid-west region of Western Australia will be completely held back. One would have to question a budget that does not make provision for stimulation of the regional economy. One of the state government's obligations under section 6(d) of the Government Financial Responsibility Act 2000 is to ensure that —

... spending and taxing policies are to be formulated and applied with consideration to the effect of these policies on employment and the economic prosperity of the State.

If the act requires the government to follow this principle, it is essential for the government to construct the 330-kilovolt powerline. Some \$600 million will probably be added on by way of debt, and there will possibly be some sort of equity contribution from the state government.

I turn now to the Esperance port for which, we are told by the government, \$400 million will be forthcoming. From what I can work out, the government has provided the first \$38 million, but cabinet has not yet reached a formal decision on stage 2 of that project. Again, that is not mentioned anywhere in the budget papers, and it is additional debt that will sit above and beyond the debt that will be authorised by this bill.

Finally, I turn to the Fremantle port. It is a little more difficult to try to work out the true cost of this port, but as I understand it, by 2015 the current Fremantle port will reach capacity. It will be necessary to build a new port south of Perth. Even if it is only to be the port built at James Point by the private sector, the state government will still be obliged to complete the road projects that have been removed from this budget. That will also incur additional costs for the state government. These are projects for which funding will be needed between now and 2013. We are looking at somewhere in the order of \$1.5 billion to \$2 billion for projects that are sitting around and that fall outside the budget process. Funding will have to come from this budget appropriation, or it will add to debt by way of an appropriation through a statutory authority. That places the state at significant risk. It is disappointing that the state government expects Parliament, this week, to pass the Loan Bill 2009, whilst not having provided it with an accurate picture of the state's finances. We have been given a set of documents that have been, on almost a daily basis, discredited in their construction and their fundamental basis, in that the reasoning and the appropriations just do not add up. The figures in the *Budget Statements* are completely rubbery, but we are expected to come into this place and authorise a blank cheque to finance a credit card; a blank cheque for a credit card the like of which has never before been seen in this state.

Hon Sally Talbot: It shows contempt for the process.

Hon KEN TRAVERS: It does.

I have listened with interest to the maiden speeches of some of the new members, which I found fascinating. I know they are new members and it will probably take them a bit of time to find their feet in this place, but I look forward to seeing whether or not they really rise to the challenge and become agents in this chamber for holding the government to account, or whether they become a rubber stamp for the government. I accept that as government members sometimes that holding to account may occur outside of this chamber in the privacy of party rooms and meetings with ministers and the like, but nonetheless I hope that all members who talked about the importance of the role of this chamber whilst making their maiden speeches—I think just about all of them have in one form or another—recognise that we have a role to play in this place. I do not believe we have a role to block budgets and I do not believe we have a role in frustrating the government's supply or financial agenda—that is a role for the lower house. But we do have a very important role to play in terms of holding the government to account and ensuring that decisions made by Parliament are made in full knowledge, and that the public is fully informed of the circumstances and what the risks are.

That brings me on to the topic of recurrent expenditure and capital works programs that are also creating risk. Yesterday, during a committee hearing, the Under Treasurer of the state of Western Australia was not able to give the state's finances a big tick and say, "Yes, look, the finances of the state are sustainable". The Under Treasurer was asked a question about whether he considered the current budget figures sustainable, and after a long pause—I mean a very long pause—he responded with words to the effect of, "Well, it's probably the best we can do in the circumstances". That answer did not indicate that the figures are sustainable—"Probably the

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

best we could do in the circumstances". But he also, at the same time, made it very clear that there are a range of risks that lie beyond the budget years with respect to recurrent funding for projects like the maintenance of Royal Perth Hospital. Health care forms a significant component of the state budget, and the state faces a number of risks related to Royal Perth Hospital, such as the recurrent funding and trying to staff it. That means, potentially, that if staff are not available, to try to attract more staff, wages and conditions are driven up, which is probably a good thing for nurses. I suspect it will probably more likely be a good thing for doctors first, then the nurses second, and then all of the other workers at the hospitals will come third, even though they are just as important. There is also the problem that, on current interest rates, the Fiona Stanley Hospital account may not have enough money in it to build the hospital. Hopefully that is not the case, but if it is, then that is another risk that the state faces. One matter that has not been factored into the Royal Perth Hospital debate is that, as members recall, the Reid review recommended that Perth should have three tertiary hospitals: one in the north, one in the centre and one in the south. The forgotten project in the current debate is the northern suburbs tertiary hospital. Based on the projections for demand in the clinical network review, that hospital will be needed by about 2015. Now, Royal Perth Hospital will be not only robbing funds from Fiona Stanley and Charlie Gairdner Hospitals, and I have no doubt from regional facilities across the state, but also it will be preventing the people of the northern suburbs from having access to the tertiary facilities that they deserve and that their population will warrant. That is a third area that provides a risk.

As I mentioned earlier, a range of sources of funding for projects have been included in this budget to try to make the income side of it look better. But those funds are subject to control and cannot be used for just any project; they must be used for specific projects. I have not been able to drill down into the detail of Perth parking management area funding but, hopefully, we can get the Department of Transport back for a future estimates hearing so that we can get to the detail of it. I suspect that part of the revenue allocated under the bill is the money that goes into the taxi industry development fund; again, a project for which funding is controlled. The government announced some expenditure of that money the other day. I suspect the government is treating those funds as revenue but, on the expenditure side, it can be spent only on certain activities to do with the taxi industry. At this stage, I am not aware of that being factored into the expense side of the budget. Again, that is another example of where there are potentially rubbery figures.

I refer to another part of my portfolio for which the figures appear to be rubbery. At the last election, the government promised to increase the community sport and recreation facilities fund. That was a good initiative. The Liberal-National Parties outbid us in that regard. We promised additional money and they promised additional money on top of what we promised—one of the few areas in which they did not say, "Well, that's a Labor promise, we'll match it." Good luck to them, but they then proceeded to make another range of promises around the state for which \$25 million worth of that additional funding had been already committed for specific projects. Some would argue that that is fair enough. The Leader of the House got very upset about a project he claimed Labor had promised before the 2001 election but had not told the local community about the funding it had to provide as matching funding. The Liberal-National Parties saw us on that and raised us with probably about 10 projects for which they have done exactly that; that is, projects have been promised around the state that are supposed to be funded from the CSRFF grants. No additional funding has gone into the Sport and Recreation budget to fund them. There are two problems with those projects: firstly, the local communities were not aware that they would have to match the funds. If they are allocated \$1.6 million for a drag strip, they have to come up with \$3.2 million of their own money. They thought they were getting the \$1.6 million because that was the cost of the project. More importantly, a number of the projects do not meet the CSRFF guidelines. No matter what the government does, probably about \$10 million worth of those projects will not meet the CSRFF guidelines. The question we must ask ourselves of the government and its budget circumstances is: is this another \$10 million black hole or are the guidelines for the CSRFF going to be rewritten to enable the projects that do not qualify to suddenly meet the guidelines? That might be a solution, although it will be a surprise to all the people who thought they would be able to get the additional funding. Nonetheless, that is an option. The Liberal Party might suggest to the National Party that it call the funds royalties for regions funding and fund the projects that way. That might be how the Liberal Party is intending to do it. Tonight we will be asked to pass the Loan Bill and probably the two appropriation bills later this week. However, we have not been given even the most simple answers to questions like this. There is a \$10 million black hole in the budget when the government promised sporting infrastructure to communities throughout the state but it does not have a funding stream for it at the moment. However, the government is telling everyone it is still going to be funded over the next three years.

Hon Jon Ford: You can borrow the money!

Hon KEN TRAVERS: We could borrow the money! Again, we could borrow the money or say, "Don't worry about that; don't you worry about that." We have almost got Joh Bjelke-Petersen back again in the new Premier —

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

Hon Kate Doust: *Hansard* won't pick up the accent!

Hon KEN TRAVERS: So long as Hon Kate Doust records for the purposes of *Hansard* that it was a fantastic impersonation of Joh Bjelke-Petersen, then we will be fine.

Hon Kate Doust: I don't think so.

Hon KEN TRAVERS: But that is the problem we have with the Premier at the moment: every time someone raises a problem with the budget, points out a hole in the budget, points out a black hole in the budget or points out the rubbery figures contained in his budget, he says, "Don't you worry about that." It got to the point today where he was saying the Under Treasurer should not be commenting on these matters. If the Under Treasurer does not get to do it, I do not know who does. As I say, I think the Under Treasurer almost has a role to play as an almost independent officer in keeping Parliament informed.

Hon Norman Moore: If ever you're in government again, I will remind you.

Hon KEN TRAVERS: The Leader of the House is welcome to do that, because I remember Under Treasurers making comments over a number of years—about both governments—where it has been appropriate for them to make those comments. I know that the current Premier has had a serious problem with run-ins with Under Treasurers. It is not the first time the current Premier has had a run-in with an Under Treasurer pointing out that his approach to finances is irresponsible and reckless. He has upset every Under Treasurer we have ever had in the state. When the Premier was Minister for Education in a previous government, the then Under Treasurer took the extraordinary step of pointing out in writing the irresponsibility and recklessness of the way in which he approached finances.

This goes on in terms of the problems that occur in this budget. The midyear review, again, contains the expectation by this government that it will over the next couple of years somehow find savings from a reduction in the grants program—the expenditure on grants, subsidies and other transfers to basically non-government organisations. That is a fairly broad area, but this budget is based on the government finding \$200 million in savings in that area, and we do not actually know where it will find it. It is based on the fact that there has been massive growth in the past in those areas, so the government thinks that it can find \$200 million. However, there is no explanation of how the government thinks it can actually get to that point. There is no explanation. The Minister for Disability Services today in question time said that his portfolio will not be affected by those cutbacks, which, as a former shadow spokesman for disability services, I am glad to hear. It is fantastic that disability services will not be subject to those cuts. The Minister for Community Services told us that no-one has told her about any cuts. I do not know whether that means her department will get those cuts or whether no-one thinks that it is important to tell the minister at this stage that her department will get those cuts; that it will be done anyway. I am not sure what the situation is, but we have two ministers in this place saying the cuts are not in their portfolios. But to find that \$50 million out of grants, transfers and subsidies we must wonder where it will come from. Will it come from subsidies for pensioners and the like somewhere along the line, so that the people who are less well-off in our community will get hit again? It will not only be the \$1 000 in increased fees and charges; they will get hit in another way on top of that down the track that we do not know about yet. That is another option that the government may be thinking about but does not want to tell us. The government still wants us to pass the budget and the Loan Bill over the next week, but it is not prepared to give us any indication of where and how those savings will be achieved over the next four years. It is simply the case that we are back to the old argument of the government saying, "Trust us; it'll all be okay. It will all be okay, even though we can't tell you." What that says to me is that these figures have simply been plucked from the air to come up with a set of figures that allows the government to say its budget is in order when we all know its budget is in complete disarray. What we will see on 30 September this year when we get the report on the state's finances for this financial year will be that their health is a lot worse than had been predicted in this budget, and in the out years we will see it get worse.

The government wants to achieve a 10 per cent saving with motor vehicles across the government fleet. The government recognises that it needs to be done as a staged approach as leases come up for renewal. One would think that if that were to be the case, at the time the decision was made all agencies would have been notified that they would be required to start reducing their government fleet car pool by 10 per cent. The government would say that that was the decision and that agencies could get on with it. Let us face it, budgets are not formed overnight. They are usually done over an extended period of time, unless a Treasurer decides to go on holiday for the first couple of months of the year. One would have thought, therefore, that the paperwork, the policy and the process of how that decision would be achieved would all be in place by the time the budget was handed down and that one of the things that would be sent out on the day after the budget would be an instruction from the Treasurer to all ministers telling them what they are expected to achieve; in fact, it might even be sent out a week before. What did we find out during estimates last week? When we asked agencies what they were doing

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

about reducing their car fleet, at least two agencies said that they had not received any official notification from the government of what the requirements were, but they were aware of it because they read *The West Australian*.

Hon Kate Doust: Is that how they get a memorandum now—they read it in *The West Australian*?

Hon KEN TRAVERS: Why not get rid of the *Government Gazette*? Why not occasionally put out a press release and hope that it gets run in *The West Australian*? There we go; there is no need to waste money on the *Government Gazette* because a couple of press releases could be put out in the hope that they get published in *The West Australian* at some point. What amazing financial management of an organisation. Over a month after the budget was handed down and just a week before 1 July when the government would want these savings to start to be incurred, public servants have not received any information about it. I would certainly have thought that with some grants and subsidies, the government would be looking at dealing with those matters up front to get the \$50 million. If the government wants the \$50 million over the full four years, it would need to put that in the budget process now. A lot of these organisations operate on contracts now. I suspect that a lot of non-government organisations would be having their subsidies cut back and, as people are employed and working, there would need to be some process for this, but absolutely nothing is to be done about it.

I enjoyed the inaugural speeches, particularly the speeches of the new National Party members. We can respect people who sit on the other side although we do not necessarily agree with them and often do not share their ideology. When I listened to a number of the new National Party members, I was impressed with their speeches. I realised that I felt that based on what they had given in their speeches, I could develop a good rapport with them all and their ideologies, values and the way they approach the world, but I must say with the exception of Hon Mia Davies, because I am not sure I would have lined up for the Jimmy Barnes concert, but each to his or her own musical taste! However, I do say to those new members that they have a challenge on their hands to make the changes that they want to make in this place. One of the great challenges that they will face is to keep their partners in government honest and accountable. I recognise that National Party members were elected on the basis of the royalties for regions program. However, if National Party members want to form government with the Liberal Party and fund the royalties for regions program, the Nationals have to be part of the project of finding areas within the budget that can be cut to keep the state financially sustainable. Royalties for regions cannot simply be added on top of the existing expenditure by the Liberal Party. The Nationals need to make sure that the Liberal Party is identifying the areas that can be cut so that royalties for regions can be funded and made sustainable. That will be a great challenge, and at the moment, while we have a problem with the figures, that hard work has not been done. We need to make sure in this economic climate that we spend money in all areas, not just the regions, in ways that will help drive the economy in future years.

I do not have a problem with the state borrowing \$8.3 billion. It is a very scary amount, and it is unheard of, but it may be the appropriate course of action in the current financial circumstances as a way of helping stimulate the economy. However, this must be done in a responsible way, and the government must make sure that the money it borrows will provide for a future Western Australia that is different from what it is today. It will be a place where the economy is stronger, and the economic opportunities for Western Australians are greater, while Western Australia is environmentally and socially sustainable. That is where that expenditure needs to be focused. We must be very careful about borrowing money for the purposes of recurrent expenditure. Although this is a very short bill, I will want to go into a committee stage with it, because it will be very important for us to ascertain that the money being borrowed over the next two years is for capital purposes and not for recurrent expenditure. If we are borrowing for recurrent expenditure, we need an adequate explanation from the government of why that is happening. We should only be borrowing for capital expenditure.

That is the challenge we face, and I look forward to having that debate. The remainder of my comments will be left for when we get right into that detail during the committee stage. We should not forget in this debate that we are dealing with an unprecedented amount of borrowing. It is unfortunately a blank credit card. Although we can have expectations about what that money will be spent on, the government can spend it on whatever it can get appropriated. It has flexibility in what it can spend the money on. It can also spend it at a faster rate than is expected. Nonetheless, I have no doubt that we need to be out there stimulating the economy with capital works projects. We need to be fully informed of the risks when we take these decisions. I hope that we can get a better explanation, before we pass this bill, of exactly what the future risks are, although I doubt that we will. This government has already spent approximately \$1.3 billion in cash and \$440 million in borrowings just to get us to this point. I would love to be in the offices of the Treasury and of the chief financial officers of some of the agencies as they try to juggle expenditure between now and the end of the financial year. To some degree, that is probably a good thing, and I hope that Treasury is using that as an opportunity to work out where some of the surplus cash may be sitting in government agencies. There is nothing like putting a bit of pressure on people to find the cash for finding out where some of the pots of money are that CEOs have not wanted to tell anyone about before! I do not think it will be a problem that we might take another couple of days on this bill before it

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

gets through this house if, in the meantime, it puts a bit of pressure on those agencies to own up to holding cash and to indicate where they can make savings in the future. It is my view that there are savings to be made within government agencies, but finding those savings is all about hard work; sometimes it is about making compromises for those savings. In every portfolio for which I am the shadow minister, I have sat down and thought about where savings could be made. Unfortunately, the government has shown us the broad-brush approach without going into the detail and it has cut programs without understanding the consequences.

I want to finish my contribution by referring to the impact of the abolition of the subsidy for liquefied petroleum gas conversions. I would have understood an argument for phasing that out over a period of time. The federal government is going down that path, and I think there is an argument for the state to do similarly. However, I cannot understand that the government has taken the decision to abolish that levy, but it does not seem to have any comprehension of what that may do to the economy; that is, the economic impact and the impact on jobs. Before the government took those decisions, it should have informed itself on those measures and understood what the impacts would be. The government needs to make sure that in these times it does not take action to save money that will cost us more in the long run. That is why there are a range of areas in industries, such as tourism, that might seem to be an easy way to save money, but what is the long-term impact on economic stimulation in Western Australia? People may view sporting infrastructure as simply a stadium, but what about the opportunities that infrastructure will generate to the economy from the events that it will attract, and also international marketing for Western Australian products that can occur?

With those remarks I conclude my contribution on this stage of the bill, and look forward to the committee stage.

HON JON FORD (Mining and Pastoral) [9.23 pm]: The government is borrowing \$8.3 billion. One of the things we have to think about when we are confronted with a figure like that—given that not so long ago we were debating the Treasurer’s Advance Authorisation Bill 2009, which authorised expenditure of something like three-quarters of a billion dollars—is that it makes one ask if it is enough, when will it finish and what is it being spent on. It worries people. My perspective is not focused on the detail to the length that Hon Ken Travers went into, but from what I hear around the traps, within my shadow portfolio, my electorate and from general discussions with family and friends. I will also touch on some of these issues from a personal perspective as well.

The Loan Bill 2009 provides authority for the raising of loans exceeding \$8 billion, consisting of a top-up on the Loan Act 2004 up to the end of this month—as I understand it, 30 June—and then \$2.9 billion in 2009-10, \$2.1 billion in 2010-11, \$1.7 billion in 2011-12, and, finally, \$1.2 billion in 2012-13. Before we go into the detail of those borrowings, we need to look at where we currently stand at the moment. We are in the process of debating the budget in this house. This budget seems to be taking us down the path of ruin.

Some people have made the comment that they are wondering whether what is happening in this state is due to the world economic crisis or to poor management by this government. The problem is that when we start talking about the money that the government is seeking to borrow, and about the capital infrastructure projects that it has cut back, we cannot find any details. Even when we think we have found the details, we find out not long afterwards—as we have in this budget—that many of the items have not been accounted for, or have been deferred or are not going to proceed. Today, the Minister for Environment backed away from the landfill levy policy that she had been promoting. We now need to ask ourselves where the \$20 million that was to have been raised from that levy over the next six months for the Department of Environment and Conservation will come from. We were assured by the minister today that that will have no impact on the delivery of services by that department to Western Australians. I find that extraordinary. In the portfolios that I had the privilege of being responsible for as a minister, if someone from Treasury had told me that my budget would be cut back by \$20 million, even spread over those portfolios, I would have found it difficult to say in this house that that would not affect the delivery of services to the state. This budget is mean-spirited. It is seeking to milk Western Australians of cash, in a desperate grab for revenue, when what they really need is assistance. I will talk about that in more detail later.

The budget seems to be unravelling. I have given the example today of the Minister for Environment. I can give other examples. The Treasurer’s comments in this Parliament and the Treasurer’s comments in the press seem to be in contradiction. Also, since we had the first leaks about the budget, the Treasurer has been contradicted by the Premier. We have not heard anything from the government about its plan for recovery. There seems to be no way forward after this bill. In the second reading speech on the Loan Bill, there is nothing about how the government is proposing to pay back the money that it will be borrowing. There is an explanation about when the last Loan Bill was put forward, and about how this bill will be building onto the surplus that was left under that Loan Bill, but there is nothing about how the debt will be paid off. At a time when people in Western Australia are concerned about their jobs, particularly in the resource sector, but across all parts of Western Australia, the government is telling them that it needs to borrow more money. People who are struggling to pay

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

their bills, and who are trying to protect their income and their asset base and provide a reasonable lifestyle for themselves and their family, know that the best way out of their situation is not to keep borrowing money. They may borrow money so that they can consolidate their debts, but they know that they cannot just keep borrowing and borrowing. They certainly will not just keep borrowing without understanding that one day they will need to pay that money back. In this debate today we have heard nothing from the government to explain to us how it will pay the money back. We need to hear that explanation. I am not the only person who is worried about that. The people I have spoken to in my electorate are worried about it. Local government is worried about it. About a week and a half ago the local government in Geraldton told me that although it had been happy to receive some money from the royalties for regions program, it could not see an overall strategy and what that might deliver strategically for the state. We will hear about some of those things in my speech and in other speeches to come.

The local newspapers also are commenting about the secret bits and pieces hidden away in the budget that are hitting people. The commentary is getting louder and louder. In fact, while doing a bit of research I went through the public commentary on the budget. An article in *The Sunday Times* of 21 June gives a pretty good summary of the budget. It states —

Treasurer Troy Buswell said the State Budget would cost families an extra \$330 each year. But the REALITY is ... \$1000 king hit.

Of course, that term is repeated a couple of times in the article. Interestingly, the article contains a table highlighting what people will really pay. Depending on their circumstances, some will pay certain costs while others will not, but it is interesting reading.

Hon Norman Moore: They work on the basis that everybody pays everything, if you have a close look. Even those who drive to work and pay parking fees pay for the price of a train ticket.

Hon JON FORD: The interesting thing about the article is that we have been told one thing but the reality is that people will pay more. Charges have been sneakily pushed through to other government authorities, but their revenue will increase. People who complain about the cost of parking in a Wilson Parking car park need to know that the real reason they will pay more for car parking is the state government increases. The article indicates that people will need to find an extra \$115 for council rates. It goes on to state —

Typical metropolitan councils are increasing property rates between 4 and 8 per cent.

Forty per cent of this increase will flow straight to State Government agencies.

The extra costs include:

- Increased waste levy: Will add \$24 for each household.

But it may or may not, depending on what we will hear from the minister —

- Increased costs for street lighting and electricity: Will add \$15 a household.
- Increased costs for Emergency Services levy, which is collected by local governments on behalf of FESA: Will add \$7 a household.

The article also indicates that people will need to find at least an extra \$46 a year for public transport, and if they live in the outer suburbs, they will pay more than \$90 extra a year. It goes on to refer to the price rises in the two zones. People who register a vessel less than five metres long will need to find a further \$12.70. People will need to find an extra \$690 a year for public car parking in town, and those people who do not park in town will pay more for public transport, unless their company supplies transport. People will need to find another \$7.72 for motor vehicle licence fees. Childcare licence fees will go up \$15 as of 1 January next year. In education, the \$400 It Pays to Learn allowance has been axed, and that is based on \$200 a semester. The interesting thing about the article is that, individually, the increases do not seem all that significant. But when they are added up, the costs are quite significant. Most Western Australians are tightening their belts to protect their family assets. Western Australians do not have much room in which to move. They do not have many opportunities to save their money. Many of them are committed to mortgages for which the interest rate is either fixed or variable and, in the end, that is out of their control. They are being hit with increases in charges for electricity, water, local government rates, parking, child care and education. It is a pretty hard thing for them to swallow.

It is extraordinary that some of these increases have led to interesting advertising, and this has occurred in this government's first term in office, which has been for less than a year. In *The Sunday Times* to which I referred, there is an open letter signed by Lisa Scaffidi, Lord Mayor, City of Perth; Craig Smith, the chief executive officer, Wilson Parking; and Joe Lenzo, the WA executive director, Property Council of Australia. The advertisement lists the increases in the parking levy as follows —

Short stay bays — currently at \$183 will be \$555 per bay per annum.
This is an increase of over 200%.

Long stay bays — are \$212 and will jump to \$586 per bay per annum.
This is an increase of over 175%.

Motorcycle bays — jump from \$91.50 to a massive \$460.50.
This is an increase of over 400%.

We are united in emphasising the State Government's responsibility for the higher parking fees you will soon pay. We are simply collecting tax on their behalf.

Further on the letter states —

Through this increased Parking Levy, the actual revenue which the State Government seeks to raise is an extra \$16.4 million. We are very concerned there has been no specific budget commitment as to how the extra revenue will be spent.

Of course, that concern is shared by every Western Australian. Nobody really knows to what this government has or has not committed. It seems to change its circumstance. The government no longer uses the excuse that this circumstance has been caused by the downturn in the economy, but by the world economic crisis. It cannot say that, because it is in control of the levers. Having not been very successful in cutting back recurrent spending through its three per cent efficiency drive, the government is putting extra costs onto every Western Australian in a bid to fill the gaps. The people it really hurts are the people who are already suffering the most. It is not a great time for Western Australians.

It would be nice if the government could tell us when this will stop and what is the need to have all these increases to the budget. Why does the government need to borrow this extraordinarily large amount of money? What effect will it have on the current state budget and, particularly, the state's AAA credit rating? What happens to the rest of the budget if Western Australia loses its AAA credit rating? From where will the money come to pay the significant increase in interest rates that would be required to be paid if the state loses its AAA credit rating? Why is this state in the financial situation it is in?

It brings me to other commentary concerning the retention of the Royal Perth Hospital and the cost of tertiary beds versus secondary general beds. The Reid report estimated that it will cost \$1 100 a day for a tertiary hospital bed. The commentary in last Saturday's edition of *The West Australian* on keeping Royal Perth Hospital referred to a blow-out in expenditure while the minister was saying there would not be a blow-out. The reason there will be a blow-out is that there certainly will be a major increase in the most expensive beds available to Western Australians. We all know that the Department of Health is a huge spender and needs to be reined in. It needs to be focused particularly on the services that are expected of it and that it must deliver. It must not fall into the trap of thinking that every service must be gold-plated and must be the best we can possibly have. What we actually need is a health system that works and meets the needs of the people. It is a big struggle—we know it is a big struggle—but it is an even bigger struggle when the minister of the day tells us that the budget will be okay and that he does not expect there to be an increase in recurrent expenditure. I tell members that absolutely there will be an increase. That view is supported by the Under Treasurer. In today's edition of *The West Australian* the Under Treasurer, Tim Marney, is quoted as having given evidence to a committee hearing as follows —

Under-Treasurer Tim Marney told a parliamentary hearing yesterday the Government did not have enough money to keep a "full-service" RPH open while operating Sir Charles Gairdner and the Fiona Stanley Hospital, due to open in 2013-14.

He said the Health Department had been unable to detail how it would fit into its budget.

After a paragraph, it goes on —

Mr Marney's concerns came as a monthly report of the State's finances showed overall Government expenses grew 15.1 per cent in the year to April, up from 13.4 per cent for the year to March, because of higher salary costs and increases in rail and bus services.

The figures also revealed that the Government's target of a \$650 million surplus for this financial year was under threat after lower revenue gave the State an operating surplus of \$245 million over the 10 months to the end of April.

Where is the revenue going to come from to pay off this \$8 billion? I was thinking to myself just for a second that it was \$80 million, but it is \$8 billion. Where is the revenue going to come from? We know that the boom is

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

over. Where is the cash cow? Where is the secret stash? Where is the hollow log that is hiding the \$8 billion that we can reach in for and pay this back? We know that no matter what we do—unless we shut down the state hospital system tomorrow—everyday there will be an increase in costs. Some of the increase will be within our control and some will not. Some of it will be the result of fighting new diseases. Some expenditure will blow out as a result of new technology that is required for long-term health trends that cause adverse reactions. Some of it will blow out due to the replacement of ageing infrastructure, an issue with which local government has a real problem and which I will talk about shortly.

This bill points to a government that is in denial. The government comes into this house and asks for \$8 billion. It denies that it is putting extra tertiary beds into the hospital system. It says that the cost of a hospital bed at \$1 100 a day versus \$750 a day will not cause us a problem, will not affect the health services provided and will not cost us more money. It is exactly the same as the Minister for Environment telling us today that a \$20 million reduction in her department's income in the next six months because of a change in policy will not affect the budget. It does not add up. It could be deliberately deceptive; it could be just plain dumb. It could be a combination of those two things. We are talking about a government that has not been in office for a year. I expected to have to make this sort of speech in four years' time. This is its first budget. It is amazing.

Hon Norman Moore: It is good that the member can get it off his chest!

Hon JON FORD: Members will hear a lot more about it. There are lots of people who will get it off their chests, if they have not already done so.

In Geraldton about a week and a half ago, as I said before, I had the proposition put to me that we are dealing with two governments—the Liberal government and the National government. One is broke; one is not—it is cashed up. I thought that was quite funny. I chuckled like Hon Ken Baston just did. I thought that was an interesting, quirky spin to put on it. I got the same comment in Newman on Friday night. Those people could have been talking to the same people, but they were from the fishing industry. They came from Geraldton, so maybe it reflects a Geraldton perspective of the world.

That leads me to royalties for regions, particularly the local government fund. An amount of \$400 million has been granted to local governments in Western Australia over the next four years. The Minister for Regional Development implies that he and his party are the saviours of the bush. When we came into government in 2001—I have said it before in this house—the bush was a basket case. Even though there was a huge amount of money spent on it, we were starting from such a broke base that it took a lot of effort to get it up. I am very proud of the work we did in the bush. I actually think royalties for regions, in parts, is a good idea, provided it is sustainable. But a lot more needs to be done and it needs to be done in a sustainable and structured way.

We have \$400 million going to local governments, which is pretty well untied. That will come from the National Party. The Liberal Party—correct me if I am wrong—through Minister Castrilli attempted major local government reform. He had his head pulled in pretty quickly, amazingly enough. He is now struggling to offer any real suggestion of reform other than to talk about it generally. He has made idle threats under the table, through the department, to local government. The one that was put to me was, “We were told very clearly that they want amalgamations, good old-fashioned restructures, not some of these other complex sharing arrangements, and they are looking for efficiencies.” The reason he cannot go into a major reform of local government is that he has no money. Here we have the National Party giving incredible amounts of money to local governments all around Western Australia. It is boosting its recurrent bills because those local governments are lucky enough to get a new town hall or a swimming pool. A swimming pool is a good example. Swimming pools in the Shire of Ashburton cost between \$60 000 to \$200 000 a year recurrent, and the shire has absolutely no plan or ability to raise the revenue to pay for that recurrent expenditure. I bet that that is the case for just about every local government that receives a grant. In fact, I recently asked the chief executive officer of the City of Geraldton-Greenough how it will pay for these things in the long run. He said, “We haven't got a plan for that; we'll see how it goes in the long term.” I suspect that that will be the attitude of other local governments.

I have been looking at royalties for regions, the local government grant, what has been handed out, what has been promised and what is on the table. I went through the enrolment statistics of all our local governments. I am not sure how many we have; I think we have about 130. Sixty-one local government authorities have fewer than 1 000 electors. Some of them are quite small. The Shire of Boddington has 899 electors, the Shire of Brookton has 682, the Shire of Broomehill-Tambellup has 795, the Shire of Bruce Rock has 710, the Shire of Carnamah has 425, the Shire of Cue has 177, the Shire of Dowerin has 520, the Shire of Goomalling has 721, the Shire of Jerramungup has 732, and the Shire of Kent has 428. I think my favourite is the Shire of Murchison with 94. It does not even have a town. I think it is getting nearly \$600 000 out of royalties for regions to build a bridge. One of its councillors is Bill Mitchell, the head of the Western Australian Local Government Association, who lives in Perth somewhere.

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

Hon Kate Doust: And occasionally goes to a council meeting.

Hon JON FORD: There we go!

Hon Norman Moore: I think you should be a bit more accurate about this and understand that Mr Mitchell's had a very long and meritorious career as a councillor for the Shire of Murchison and lived there for many, many years.

Hon JON FORD: When we get to talk about local government elections, some of them are better off having a family meeting.

Hon Norman Moore: Not many people live in that shire. Are you suggesting they get rid of it?

Hon JON FORD: I am saying that all these local government authorities have one thing in common; that is, they are completely and utterly unviable. The Nationals are cashing them up and boosting their recurrent bills.

Hon Ken Travers: They're a team.

Hon JON FORD: Sometimes they are a team; sometimes they are separate. Local governments deserve some real help in restructuring. Imagine what we could do with \$400 million over four years if it was actually targeted at assisting local governments in real reform. It costs a lot of money to amalgamate. It costs a lot of money to set up combined waste services. I am not saying that they need to be closed down but we have to have real reform.

Hon Norman Moore: What are you saying then? You can't say one thing and not the other.

Hon JON FORD: Yes, we can.

Hon Norman Moore: What do you mean by reform if you don't mean amalgamations? A minute ago you were saying the Shire of Murchison was unviable so I assume you mean amalgamations. If you don't mean that, say what you mean.

Hon Ken Travers: That is what the Minister for Local Government thought as well.

Hon JON FORD: That is right. The minister cannot talk about reform because the government does not have any money for it. He needs to talk to Minister Grylls. When Minister Grylls fought for royalties for regions in the election campaign, he said that the money was not to be ferreted away by jobs in the regions that should normally come out of consolidated revenue and be supplied by government. In fact, he said that it should go towards significant infrastructure. However, sometimes that is right and sometimes it is not right. I would have thought that the grain rail would qualify as significant infrastructure; it is certainly economic infrastructure. At the moment only \$50 million is being asked for it.

Hon Col Holt: Why didn't you invest in it?

Hon JON FORD: The Labor Party was going to fix it, had we been re-elected. The Liberal Party and the National Party are in government now. Is the National Party in government or not?

Hon Norman Moore: I love the things you were "gunna" do that you just didn't put any money in the budget for.

Hon JON FORD: That is right.

Hon Norman Moore: You're a mob of gunnas!

Hon JON FORD: How much money did the previous Liberal government spend on health in the Kimberley? When I looked at the current budget papers, there was about \$2 million for Broome, over and above what would normally be spent. The previous Labor government spent \$80 million.

Hon Ken Travers: How much was that?

Hon JON FORD: It was \$80 million in the Kimberley alone.

Hon Ken Travers: Forty times the amount!

Hon JON FORD: Yes.

How are local governments going to pay for the infrastructure that the state government is going to build for them, apart from entrance statements? There will be billions of those scattered all over Western Australia; I always have a laugh about the Shire of East Pilbara entrance statement as I enter Newman. How are they going to pay for their swimming pools and for the running of their community halls? The lights of community halls will be left on permanently for security, but the halls will be used by the community only two or three times a year. There will be no way to pay for them because local governments do not have the revenue base to do so.

Hon Ken Travers; Deputy President; Hon Norman Moore; Hon Phil Edman; Hon Michael Mischin; President;
Hon Mia Davies; Hon Jon Ford

They will have to keep on putting out their hands to the royalties for regions scheme and the state government will have to keep on paying them to keep them happy. That will prevent the state government from getting into the business of real strategic infrastructure.

I also want to know how the government justifies spending \$80 million of royalties for regions funding on mining exploration. Mining exploration is essentially gambling; or if it is not gambling, it assists people to gamble. It is a high-stakes market. What benefits will accrue for the regions from spending \$80 million on exploration? Will it be the flow-on effect from any discovery? That funding should have come from the Department of Mines and Petroleum allocation.

Hon Norman Moore: If you have a look at where it's all going, it's not all going to subsidise drilling at all.

Hon JON FORD: I can tell the minister where it has not gone; it has not gone into resource safety—not a cracker.

Hon Ken Travers: To protect the people who generate the royalties.

Hon JON FORD: That is right. A lot more money should be spent on resource safety.

Hon Norman Moore: You shouldn't cast aspersions about mine safety, because you were the minister prior to the last election.

Hon JON FORD: Now we are working off the reports provided by the previous government.

Hon Ken Travers: Nine months, and they still won't take responsibility.

Hon JON FORD: That is right.

I remember when the previous Labor government came to power; the minister sat on this side saying, "You're the government now". We are talking about the current budget, and we are talking about the Liberal-National government asking the people of Western Australia for permission to borrow \$8 billion, when it does not actually have a plan. It does not have a plan to extend revenue and it does not have a plan to pay off the \$8 billion. The government recently announced funding of \$21 million from the royalties for regions scheme for Nickol Bay Hospital. I would have thought that that amount would be normal expenditure for the Department of Health. The government is going to give \$20 million to the Shire of East Pilbara so that it can revitalise the town of Newman, but it is not yet possible to deliver a baby in the hospital. There is \$20 million for the town of Newman and \$20 million for the Nickol Bay Hospital. I fail to see the plan. I can see a con and I can see a pork barrel, but I cannot see a strategic, coherent plan to move ahead, yet Parliament is being asked to authorise the government to seek an \$80 billion loan.

Hon Norman Moore: How much?

Hon JON FORD: Sorry, \$8 billion.

Hon Norman Moore: You're just a bit over the top—10 times as much!

Hon Kate Doust: That might be next time!

Hon JON FORD: That might end up being the amount next time!

Included in the Loan Bill 2009 is an amount of \$30 million for the patient assisted travel scheme. I would have thought that would have been funded out of royalties for regions; I would have thought that should have come out of consolidated revenue.

Debate adjourned, pursuant to standing orders.