

**APPROPRIATION (RECURRENT 2022–23) BILL 2022**  
**APPROPRIATION (CAPITAL 2022–23) BILL 2022**

*Second Reading — Cognate Debate*

Resumed from an earlier stage of the sitting.

**HON DR STEVE THOMAS (South West — Leader of the Opposition)** [5.11 pm]: It was such a long time ago that I feel like I should recap where I got to this afternoon, but I will try to progress as much as I can because I really want to focus, in a relatively small amount of time, on those things that have changed significantly since the dropping of the budget. I gave a substantial budget reply speech the week after the budget dropped, bearing in mind that that was in May, which is now three months ago. What has significantly changed? Again, the basics are still the same. This government has had the good luck to fall into the greatest economic boom that any state has ever seen. Members might remember “Lucky” Phil from *Hey Hey It’s Saturday*. This is the lucky government that got a very good deal in terms of its revenue. It has not done a lot with expenditure; it is certainly not financial management that has resulted in the circumstances in which the state finds itself. It is very much about a boom in revenue. That has now been the case for a number of years. This government will have had something like \$20 billion worth of surpluses over a five-year period. It is an unheard of result. I must admit that I get a little tired of the rhetoric around good economic management because the state has very much got an absolute reward for the circumstances in which the world finds itself. I will address some of the issues that stem from that.

The question I asked before we were so abruptly interrupted for question time was: how will this Premier be remembered in the future? In particular, I think he will be remembered for what he did with the greatest economic boom the state has ever seen. How will we measure his legacy? A few things have changed. One of the first things that has changed is that we managed to get a substantial answer, probably for the first time. It was not the fault of the Minister for Emergency Services, who does a great job in trying to get Treasury and the Treasurer, who is also the Premier, to provide fulsome answers. It took until the budget estimates for us to get a fulsome answer on what this government is doing with debt. I am pleased to say that in the budget estimates process seven weeks ago, we finally got the confirmation for which we had been asking for some years in this house. We asked: what was total public sector net state debt when the McGowan government came to power in 2017? The government had been quite coy about it. It likes to throw out a figure of \$43 billion based on a set of budget figures—four-year forward estimates that did not include the greatest economic boom that we have ever seen, the reform to the GST and a lot of other things. It likes to throw out that figure. What did the government actually inherit? We finally got an answer.

**Hon Dan Caddy:** It was \$40 billion.

**Hon Dr STEVE THOMAS:** No, it did not even get close to \$40 billion of debt.

**Hon Darren West:** It was projected.

**Hon Dr STEVE THOMAS:** It was a four-year guess based on a set of circumstances that did not eventuate, and the government has been able to milk that beautifully. Well done! It has milked it beautifully for years.

**Hon Dan Caddy:** You keep bringing it up.

**Hon Dr STEVE THOMAS:** I do not think any real economist actually believes the rhetoric the Labor Party comes out with, but it has managed to milk it a bit. What did Treasury say, during budget estimates, was the total public sector net state debt when the McGowan government came to power? Treasury has now belled the cat on the government’s rhetoric. According to Treasury, which we would think would know, net state debt was \$32 billion. What did this government inherit? It inherited \$32 billion of net debt.

**Hon Darren West:** You know better than Treasury, don’t you!

**Hon Dr STEVE THOMAS:** I probably do in some circumstances, but that is a whole other argument. It was \$32 billion of net debt. We have to give the government a little credit, because through the budget process, net debt will come down a fraction. Over the first few years, it came down almost imperceptibly, but the government crowed that it was going to get net public sector state debt under \$30 billion—just. What happened? Over the first five years of the McGowan government, in the middle of the biggest economic boom in any jurisdiction in this country, this government managed to briefly drop net public sector state debt from \$32 billion to \$30 billion. Guess what the forward estimates show? The government liked to throw out the forward estimate numbers previously. In a couple of years’ time, following the biggest economic boom the state has ever seen, net debt will be back up to \$32 billion. What has happened to debt during the biggest economic boom this state has ever seen? Nothing! It is a net zero in terms of net state debt. The McGowan government wants to keep hoodwinking people into thinking that the \$43 billion figure was real and will keep transferring the blame for that process, but there will come a time when government members will have to stand on their own two feet and take responsibility for their own performance. We have not seen a lot of that so far.

I will look at some of the headwinds the government faces despite this. As I said just before we were interrupted, the reality is that the good economic circumstances are not yet complete. The iron ore correction has not completely occurred. The price of iron ore is not now \$US230 a tonne, as it was briefly when the real money was rolling in and the money bin—the money bin the Premier seems to be addicted to rolling in—was filling up from the huge surpluses and the cash that the Premier loves so much. The current price is starting to get back to that correction. When it does, the government will have to face a few economic headwinds. This is what I want to focus on for 10 or 15 minutes. Some of those are fairly obvious now to the wider community, even if they do not appear to be so obvious to the McGowan government. The first, of course, is that the inflation cat is out of the bag for the time being. It may not be for a decade, but it will be for a year or two. People were a bit surprised.

We went to a budget where inflation was not a key topic, because at that point we had not started to see some of the really interesting figures coming out. The consumer price index for Perth, the first set of inflation figures around that time, was running at 6.8 per cent, at a time when Australia was running at 5.1 per cent. We have had a set of quarterly figures since then—they have come out quite recently—that indicated that Perth's CPI has actually dropped a little bit. It has gone from 6.8 to 6.4 per cent, whereas the national CPI went from 5.1 to 6.1 per cent. One can see that rebalancing of inflation. Of course, the state government is not primarily responsible for a lot of the drivers of inflation. Obviously, the oil price is a significant driver of inflation and there are other areas. This state government is responsible for some of those things—they have even come up for debate today.

There was a very good contribution from Hon Steve Martin who talked about state government infrastructure.

A member interjected.

**Hon Dr STEVE THOMAS:** It was an excellent contribution, member. I know the member wanted to congratulate him and join in.

He described the infrastructure issues that this government faces with a boldly ambitious \$8 billion infrastructure plan year-in year-out for a number of years—over \$8 billion. He was quite right when he said that no-one had achieved any higher on the \$5 billion to \$6 billion average that has been there over a long period of time. What has it done in having that huge expenditure in the marketplace? It is actually not going to deliver the infrastructure any faster. It puts enormous pressure on the economic cycle; in particular; in construction. What have we got? We have got blowouts of time and blowouts in budget. Even the Auditor General has taken to describing some of these things, particularly in a recent report on cost blowouts in major projects, in which the Auditor General looked at 17 major projects and identified that all 17 projects were blowing out their time lines by at least a year. I will not need to go into great detail about the government's Metronet issues: blowouts of time and blowouts of cost. I am sure other members will be making something of a contribution to that.

This government has contributed to inflationary pressures. This government has contributed to the problem. It has done it not just in competing in a very constricted infrastructure tunnel, if one will. It is not just that people who are trying to build homes are competing with government projects for builders, carpenters, brickies—all of those. One day I will be interested to see what the impacts of the stimulus packages on construction did over time. That will be something that will be really interesting to have a look at, what the impacts of those were—both state and federal, and both sides of politics. I would be really keen to see that. But it is certainly the case that the state, in competing with the private sector—including home owners—for construction capacity, has had a major impact, both on inflation and on the construction itself. It is not just that government projects are blowing out by years—when the average time frame to build a house used to be under a year—it is now about two years. It is probably not three years, it was a bit of perhaps an over egging of the estimates, but it has blown out to be around two years to build a house. Heaven forbid that a person actually needs to have repairs or alterations done as a part of the process, because that is a bit more complicated. There are a lot of tradespeople who are not really interested, even to the point where storm damage is becoming difficult to repair.

I know it is not just in this state, but I will also want to make a mention of a couple of the responses of this government in this state in when it comes to the lack of resources—which is a little hard to blame the government for—but most particularly, for skilled workers. Members should remember—I hope they do—the first acts of the now Premier when he assumed power in 2017. One of the first things that this Premier did was to made changes to skilled migration. In 2017, as one of his first acts in government, he slashed the skilled migration list for Perth and Western Australia from 178 occupations down to 18. That 18 were entirely medical, but that is not to say necessarily that those 18 occupations have been a success story for the state of Western Australia. We are not oversupplied in most medical specialties or employment options. At least they remained on the list! In 2017 there was 178 down to 18, which was one of this government's first actions. What was the inevitable outcome? In 2021 the government had to go "Whoop, we got that wrong." In 2021 that occupation list added 134 occupations back to it. Funnily enough, including a fair few around construction—and a whole pile of others where we just could not get workers.

A little bit of humility would be fantastic. I wonder whether we will see the Premier go, "Yeah, I actually got that wrong." I wonder how many additional bricklayers, carpenters or people involved in the construction sector we

might have in the state of Western Australia if the Premier, who was elected in early 2017, did not make it his first agenda to cut everybody out who was coming in to fill those services. I wonder where we would have got to with that. That was a genius move, that one. It was one of the Premier's many backflips. We should have entered him in the Commonwealth Games! I think we won the medal count anyway, but I think that might have added one more goal to us. The backflips were fantastic: he could have done it in diving, acrobatics or gymnastics. It was a welcome backflip—not the first one he has done and it will not be the last one he does. This government made a contribution to making things significantly worse, and that is a shame because we could have had a better economy and a better outcome.

One of the other things I spoke about back in May was wages policy in the state of Western Australia. Again, I like to give credit to the government where it is due—I do; I do it regularly. I always say the Minister for Emergency Services is such a good minister.

**Hon Stephen Dawson:** Gets me in trouble.

**Hon Dr STEVE THOMAS:** Yes, I know.

**Hon Tjorn Sibma:** Gets you in trouble, too!

**Hon Dr STEVE THOMAS:** It is not doing my preselection chances any better than yours! In terms of wages policy, it is absolutely the case that it has a significant impact. When times were tough at the start of the process when revenues were not great, the previous government had actually—in the end, finally—put in place a tougher wages policy for the state. That was then made even tougher by the incoming government with its thousand-dollar wage rise policy. It was a tough wages policy. It was required, and kudos to the government for doing that. It was a very tough wages policy and economically was needed. I have been saying now since May that the government will have to start justifying its wages policy on the basis of two things. The first is the inflation rate, which virtually every economist in the country was saying was on the rise. I think there is probably some fair criticism of the Reserve Bank that it probably did not act quickly enough to use the only lever that it currently has, which is the interest rate. The interest rate level is less effective than it used to be and that is why reserve banks around the world have started doing other things that they call quantitative easing, which is, simply, printing money. That is why most economists in the world seem to have swung dramatically to the left. They have all bypassed Keynes and have probably landed around Marx and Lenin, over in the corner, in their modern monetary policy agenda. It was absolutely predictable that inflation and the consumer price index were going to rise, and the Reserve Bank was probably a little tardy with that.

This government has an issue in that the CPI is rising and inflation is high, which is impacting the cost of living—they absolutely are—and people are struggling. It will get worse as interest rates continue to rise, which I think will happen until early to mid—next year, and we add on a couple more per cent at least to the base rate, which will add on at least three per cent to retail banking rates. Suddenly, people will be paying the sort of interest rates that those of us who are getting on a bit remember. Perhaps not the 19 to 22 per cent that some people remember, but I suspect that many of us will remember the seven, eight and nine per cent home loans and the nine, 10, 11 and 12 per cent business loans. I think we will get a bit closer to those figures—certainly closer than we are now—because the retail mark-up is not insignificant. This government has to deal with this inflation at a time when it is, in itself, rich. That is the problem it is faced with. If the government did not have the iron ore wealth pouring into the money bin, and government members were not doing Scrooge McDuck impersonations —

**Hon Tjorn Sibma:** Keep saying it.

**Hon Dr STEVE THOMAS:** It is too much fun not to!

If that was not happening and the government was in New South Wales or Victoria, it would have a valid argument that its deficits were enormous and it did not have the capacity for significant pay rises. It is the easiest thing in the world that if you have money, you throw it out there and make significant structural changes to the budget's bottom line. It is not now that the government pays the penalty; it is five and 10 years down the track, so it has to be really careful. That is why Treasury should be costing out all the options. The government is a little bit addicted to handing out nice little cash lollies to people, such as the \$400 power rebate, which I have welcomed, as a one-off, instead of doing something far more significant, such as freezing fees and charges. The government could have gone that little bit further. The population of Western Australia, in my view, will look at this and say that at a time when this government had more money than it could spend, which is absolutely the case, it is keeping that money for itself and it is not looking after community members in the state. That is the problem that this government has and that is why I think that the Premier's legacy will ultimately start to suffer. Nobody lasts forever on the throne. We are already starting to see a bit of the emperor arrogance coming through. Nobody lasts forever, and at a point in time when the government is wealthy and the people cannot make ends meet, I think the government has a problem.

A few months ago, I said that the government must address this problem and review its wages policy. It finally did, but what did it do? The government did what it continually does: it handed out a significant current lolly, which was a cost-of-living boost of \$2 500, which is a one-quarter of one per cent change to the actual wages policy itself. It is a bit like the cost of living versus the \$400 energy payouts: you do it once; you do it now, and it comes at a cost. There are almost one million households in Western Australia, so let us say that it is a \$400 million policy. A freeze-fees policy would have cost the government \$160 million extra in the current financial year. Yes, it has some further impacts down the track, but the government also has the capacity down the track to change that outcome. Therefore, if the cost of living starts to settle down and if inflation goes back to its normal parameters of two to three per cent, then suddenly the government has the capacity to change it. By handing out the money now and not looking after the community, the government looked after its own interests ahead of the community's interest. That is the problem that the Premier has.

The Premier thought that his budget would be highly received, particularly because of the electricity fees handout, and it was thrown back in his face, to a large degree. Nobody was overly impressed. People will take the money, because everybody always takes the money, but no-one was all that impressed. The same thing, to some degree, will happen, in my view, this time around with the government's wages policy. Yes, the government has handed out another lolly, but the increase is significantly lower than when it is occurring. States that have huge budget problems have been more generous.

A tough wages policy is generally a good thing. We do not want to go overboard and be silly about it and that is why it has to be based on Treasury modelling. But what the people of Western Australia will remember, in my view, most simply, is that at a time when this government was rich and getting richer, they were getting poorer to the point that they were struggling to make ends meet. There will come a time, as interest rates go up, when there will be people who cannot keep their houses. Some of those people, I suspect—particularly recent purchasers—will find that they are trapped because the value that they paid for the house is now higher than what the house is worth. Therefore, what they owe will be more than what they can sell their house for, and they will be stuck in an interest rate trap that they cannot afford. Bear in mind that this will not be the first time I have seen that. I remember those circumstances in the early 2000s, before the 2000s boom hit. I remember quite distinctly that people in the south west were stuck in that trap, and I think we will find that people will remain stuck in that trap. There are a limited number of things the government can do about it. One of the things it could do is stop hoarding the money for its own benefits and start requiring services and support to be provided across the state.

The final thing that I want to talk about is the government's housing policy. Here are a few numbers for everybody that I pulled out of various census data. According to the 2021 census, in Western Australia, there were 263 826 rental properties, which was 27.3 per cent of all dwellings. In the 2011 census, 10 years earlier, there were 231 824 rental properties, or 29.2 per cent of all dwellings. Basically, what has happened is because of policies both state and federal—the federal government is equally to blame, perhaps even more so—the proportion of private rentals compared with the entire number of dwellings has dropped by a couple of per cent. Before members think that it is okay because the public housing service is picking up the difference, according to Shelter WA, in 2021 there were 42 661 public and community housing stocks. That number was down in 2016–17, which was the last year of the previous government, from 44 087. Therefore, according to Shelter WA, we are down 1 426 public and community houses, and so the public housing stock is not picking up the difference.

If we look at those figures, it means that 16 per cent of the rental stock out there is public and 84 per cent of it is private. I make this point just before I move on to the last little bit. The private rental sector has become a villain. Be it from state governments and federal governments, there has been a vilification of rental homeownership and I think it is a problem. It could be about this horror of using house investment for wealth creation, which many years ago used to be a completely normal part of wealth creation. In fact, it is not a bad idea. People would pay off their first house and they would go and buy an investment house. Someone would rent that investment house, so the rental money coming in would pay off the second house. It got misused on occasions, but, for the most part, it was a completely legitimate wealth creation strategy, but we vilified it. We vilify it all the time. It is the greedy landlords all the time. It is the left-wing rhetoric that is out there that says that landlords should not be able to make money off investment of this sort. Guess what the result of that has been? Landlords are getting out of the housing marketplace. Yes, I am going to finish directly. I know a lot of landlords who are now saying that it is not worth investing in housing rentals because they basically have no control over how the house is treated and they are better off with commercial rent if they are going to go into the rental market. A lot of them are shifting into commercial tenancies because they have better control. They think that someone who is renting on a commercial basis is more likely to look after it. Again, no doubt there is the occasional exception, but I think that is largely true.

Another thing that is happening is that a large number of home owners, particularly in resort-style and tourism areas, are simply saying, "I can rent this house out for \$500 a week and make \$25 000 a year and I'll have a permanent tenant I can't do much with, or I can put it on Airbnb and make the same amount of money from three to four months of rental in a year, with a weekend here and there." They would be better off, and they would retain control of the

housing stock that they own. Nobody is going to walk into an Airbnb and demand to change the furniture or build into the walls or do any of the other things. They are generally not going to wreck it. There is this massive shift out of investment housing. I think that both state and federal governments have to stop vilifying private investment in real estate as an asset and wealth-creation device, because the people who are struggling with it the most are the people who cannot find houses to live in. People will vilify negative gearing or capital gains or any of those things—how dare they! The latest version of this is that the state government is considering some changes in commerce to further disempower landlords. I urge the government to have another look at that, because it will just drive more people out of investing in housing. I can tell members opposite that we are down 400 houses based on the information from Shelter WA. If people keep pulling private rentals out of the marketplace because the government makes it more and more difficult to maintain them and it wants to vilify rental ownership, investment housing and the like, it is going to make it much tougher for itself. Some of those solutions are not necessarily just the state government's solutions, but it is not going to fix the housing crisis in a hurry. Perhaps embracing the landlord community instead of attacking it might be a useful tool to use.

I want to finish with this: the government has a huge amount of money. It is still rolling in the money bin. What has it not done well? It has not provided efficient services; it has not reformed the economy, particularly through taxation; and it has not paid down debt. It is simply holding its money for its own future benefit. If that is the case, I think that in the longer term, this government will be judged on its legacy very poorly.

**HON TJORN SIBMA (North Metropolitan)** [5.42 pm]: I will hopefully make a brief contribution to the cognate debate on the Appropriation (Recurrent 2022–23) Bill 2022 and the Appropriation (Capital 2022–23) Bill 2022, but I want to focus more specifically on the capital bill dimension. I think it is worthwhile sometimes considering the scale of finance that we are voting on, because sometimes it just passes unremarked. I draw the attention of members who are interested in these matters to clause 4 of the Appropriation (Capital 2022–23) Bill 2022. The appropriation for capital purposes is a sum of \$5 170 419 000. That is an enormous amount of money. I reflect on the way that that proposed capital spend is being apportioned across areas of government service and the appropriate portfolios. It is worthwhile considering that according to schedule 1 on page 6 of the bill, under items 144 to 147, which are the transport portfolio-related capital spend items, \$1.54 billion will be spent by the Public Transport Authority alone. That is \$1.5 billion of the \$5 billion total allocation, which obviously gives us an indication of where the government's priority is.

This is probably the first appropriation cognate debate that I have made a contribution to and I am departing from my usual practice of silence for a couple of reasons. One of those is where this fits into the overall scrutiny of government financial management. We obviously get the shock and awe of budget day, when members read through the budget papers as quickly as they can and respond to a government's self-promotion, and they try to figure out what is going on, how money is being managed and what the government's priorities are. As is the custom in this house, we have a far more rigorous and far more targeted budget estimates hearings process. The other place just rolls through the individual budget line items, and there might be one or two decent questions and one or two decent answers. However, the way we do things in this chamber is a little more considered and targeted. I think it provides a greater public service insofar as it provides an understanding of the mechanics of financial management and service delivery in this state.

I might just reflect on two hearings—transport and Treasury. The transport hearing was enlightening, and I will get to some of those issues shortly, as was the Treasury hearing. What was clear through this process insofar as it relates to the enormous Metronet project is that there was a grudging acknowledgement of the overall capital spend of Metronet, but it was not clearly demarcated. There is an unhelpful air of mystery around the future recurrent spending obligations not just to keep this massive expansion of the rail network running, but also to give some clarity about the level of fare subsidisation that will be required to keep it operating. Those latter remarks would probably be more appropriate in dealing with the recurrent bill dimension for future years. I will focus more specifically on the capital dimension.

It is worthwhile acknowledging that Metronet as a concept has grown in scope and scale over the last five or six years, particularly after the original concept was delivered. This is not to criticise investment in public transport; nor is it to criticise, effectively, opportunities to expand where that is sensible. It is important to acknowledge that this overall project was going to cost only \$3 billion. If a line-by-line assessment was done and bits in budget paper No 2 were crossmatched with bits in budget paper No 3, the full capital cost of this project would be \$10 billion. I have said that a couple of times publicly and that has never been disabused or criticised. That is an acknowledgement that this is now a \$10 billion project, which is obviously 300 per cent larger than the original concept. A fair proportion of that capital spend was gifted by the last federal government, and I think it was far too easy on this state government. I think it was overly generous and supported projects that were economically dubious, and I will leave it there. Where is the full responsibility best driven home? It is to this state government, and future state governments, which will have to sweat the asset and make it economical. As much as we have attempted to create an asset, double-entry bookkeeping demands that we also focus on the liability side of that column. The liability side of that column, insofar as recurrent budgets in the future go, is a great unknown. That is inappropriate at the best of times, but is doubly dangerous now when we are going through a very testing set of macro-economic

circumstances. We do not really know where the financial position and budget position of Western Australia will be in five years. It may not be as rosy as it is today, and already there are some particularly challenging signs.

I want to reiterate the fair, sound points raised by my colleague Hon Dr Steve Thomas about inflation, cost-of-living pressures, an overheated economy, lots of dollars with not many people to fill the jobs, materials shortages and backlogs of supply. We—I mean “we” in the most collective sense—are contributing to an economically dangerous time for Western Australians because state government money is competing with the private sector. Is that not more exemplified than in the Metronet project? I do not think it possibly could be. During budget estimates, which is why it is such a useful exercise, we were able to obtain, I think for the first time, a more comprehensive set of what the benefit–cost ratios were for the individual Metronet components. One of them, which relates to a bill that will hopefully be debated tonight—if we get there—concerns the Armadale line upgrade. That is an expenditure of \$1 billion in capital terms. A benefit–cost ratio index attributed to it is 0.36. For every capital dollar that is spent, we obtain only 36¢ in value. We—I use the collective “we” here—need to be far more rigorous in our infrastructure planning spends for future budgets because something that is so obviously uneconomic needs to be seriously reconsidered in economic circumstances like this. That is not to say that there are other benefits that will stem through it. There is a premium that will be put on social benefit uplift. I appreciate all of that, but is now the time to be spending \$1 billion on a project that is uneconomic in sheer analytical terms, when the entire economy is overheated and we are running quarterly CPI in the vicinity of seven per cent, I think leading the nation on the last two quarters? This is particularly dangerous.

I think it is too late to turn back. The decisions have been made. Contracts will be entered into and will have to be fulfilled. But once we get to that point, I think this Parliament is owed a little more scrutiny and transparency about how projects individually are being delivered. I want to focus on one particular matter before I get to the next one, and then I will probably leave it if I can take it up to the dinner adjournment. I customarily lodge my questions without notice as early as I can in the morning because I want to give the ministers appropriate time to come back with a comprehensive answer, and when a minister is away, it allows me to recalibrate and ask other questions in sufficient time. At 8.30 this morning, I lodged seven or eight questions. A number of them were to the Minister for Transport. I understand that she is not present at Parliament House, but she has been fantastic answering questions today and it is not often the mark of a minister who is unavailable to Parliament. I compliment her on answering the question. I am not satisfied with the calibre of the answer but that is another issue, which I am dovetailing into now. The Forrestfield–Airport Link part of Metronet is one of the Metronet works still under development, but it is coming to its conclusion. It is unfortunate, because I take the minister for this, that in any large complex problem, there are going to be issues that eventuate or are realised throughout a testing and commissioning phase. I think it is inappropriate that we still have no closer idea of when that line will come into service. This is a dimension of Metronet that is already running two to 2.5 years late. The government has missed I think the second or third rescheduled deadline, which was 30 June just passed. This is not to nitpick but if the Western Australian public, through either the state or federal government, is going to spend \$2 billion on a project, I think they are entitled to know when it is going to get up and running. I have said two or three times publicly that it is a simple proposition; if the government cannot give a target date, please confirm what the problems are. Is it something to do with the exhaust fan? Is it something to do with the communications or a mobile phone black spot somewhere in the tunnel? Is there another issue, perhaps to do with switchboards at Bayswater Station? I am not so concerned about what the issues are but at least cop up to them and give us some measure of confidence that the government has a plan to remediate those problems. That is all I have asked for today and I just got a pat answer back. Unfortunately, the answer seems to be word for word a similar response to one given to a journalist who asked a similar question earlier today. I am happy an answer was provided but I do not think too much intellectual effort went into crafting an answer—it should not have to be crafted; just tell us what the problems are so that we can have something to look forward to.

I do not think that lack of transparency is to the government’s credit. It sets a very low standard for disclosure about the management of the Yanchep extension, the Byford extension, the Ellenbrook extension and the Armadale extension. There is quite a lot on. Not only am I not very confident that the government will be able to spend that full capital allocation on this, not even this year but in future years—it will not be able to get the money out the door—I am very concerned that the individual project components that make up this \$10 billion large monolith are not going to be properly developed, scheduled and delivered. When problems are encountered, as they inevitably will be, the public will be kept in the dark. People are mature enough to know that there are problems. At least level with them and tell them what the government’s solutions are.

If I have three or four minutes left, I will focus on another area of non-disclosure or belated disclosure. Again, it is a capital spend item. We were able to probe into this to some limited degree during the budget estimates process. It concerns the initial radio systems replacement project that was let in 2017–18 to a Huawei–UGL consortium. In June in the other place, the minister conceded that \$6.6 million had to be paid out to Huawei because that contract could not be fulfilled for reasons that anyone with a passing interest in geopolitics could tell you. Not only that,

the replacement contract was 50 per cent higher than the original. Effectively, the Western Australian taxpayer has paid out a company that will not deliver anything and, because of that disruption, the state government has had to enter into a new contract at an additional cost of \$127 million. That does not necessarily give me confidence about the state government's capacity to manage its capital appropriation. Not only that, the most disappointing aspect was that that information was hidden from the public of Western Australia for six months. The determination to pay out Huawei and to proceed with a new contract was made in the days approaching Christmas last year. I am glad we got the disclosure in the end but it puts significant question marks around intent, trust and the capacity to prudently manage large sums of money, particularly large apportionments of capital allocation. Whatever trust I had in the government to get it right I think evaporated during that budget estimates when we learnt that the Minister for Transport sat on that information for six months and has not even deemed it necessary to provide a plausible excuse or justification. If that is the low standard that has been set, that is the low standard I expect from the rest of Metronet and I think that is an absolute pity.

*Sitting suspended from 6.00 to 7.00 pm*

**HON NICK GOIRAN (South Metropolitan)** [7.01 pm]: The Legislative Council is continuing its analysis of the McGowan Labor government's latest budget in the form of the two bills that are presently before us in this cognate debate, the Appropriation (Recurrent 2022–23) Bill 2022 and the Appropriation (Capital 2022–23) Bill 2022. What a careful analysis of the budget brings to our attention—in fact, it exposes—is two deeply troubling matters. The first is that this secrecy-obsessed government continues to refuse to come clean on how much taxpayers' money it has wasted. The second is an astonishing arrogance by this administration that sees serious priorities utterly ignored. I will turn to the first of those two matters, which is the amalgamation of secrecy and waste.

It would be very hard to find a Western Australian government that has ever been more secretive than the current administration. To compound that outrageous secrecy, we have a government that seems to have an attitude of reckless waste towards taxpayers' money. The waste by the McGowan Labor government has been so great that that has even been the finding of the Federal Court of Australia. I draw to the attention of members the decision in the case of *Palmer v McGowan* (No 5) [2022] FCA 893 and the judgement by Justice Lee, which was handed down last week—in fact, exactly seven days ago on 2 August. For those members who have not had an opportunity to peruse and consider this judgement, I highly recommend it to them. There is a fair amount of reading to get through, but, nevertheless, I draw specifically to members' attention paragraph 523 of this judgement, where Justice Lee states —

These proceedings have not only involved considerable expenditure by Mr Palmer and the taxpayers of Western Australia, but have also consumed considerable resources of the Commonwealth and importantly diverted court time from resolving controversies of real importance to persons who have a pressing need to litigate.

We can see from that one paragraph in the judgement by Justice Lee in the Federal Court last week that there are three groups of persons whose money has been wasted because of this litigation. One of those people is Mr Palmer. That is a matter for him as a private citizen. If he wants to waste his money with this type of litigation, that is a matter for him. One of the other groups is the commonwealth. The commonwealth's considerable resources have been wasted by Mr McGowan and Mr Palmer. But, again, that is a matter for the commonwealth. That is a problem for the Albanese federal government—that Mr McGowan has wasted its money. The third group that is mentioned in this decision is the taxpayers of Western Australia. Mr McGowan, the member for Rockingham, the Premier of Western Australia, has been found by the Federal Court of Australia to have wasted the money of the taxpayers of Western Australia. Such is the attitude of this government that considerable expenditure has been wasted.

The question becomes: exactly how much money has been wasted by Mr McGowan on this matter? I draw to members' attention and remind members that we usefully had the benefit of the budget estimates process in June, just prior to the winter recess. On 20 June this year, there was a very informative budget estimates process that involved the Department of Justice, the State Solicitor's Office and the office of the State Coroner. I will not spend any time talking about the office of the State Coroner other than to quickly observe that the State Coroner could not possibly have attended on that day. That will be a discussion in a debate for another day with respect to another individual who considers themselves completely immune from any accountability. This is hardly any wonder when the leader in Western Australia is Mr McGowan and has recklessly wasted taxpayers' money. His attitude exceeds no bounds when it comes to a complete lack of accountability and lack of responsibility.

On 20 June 2022, we had a session with the Department of Justice and the State Solicitor's Office. I asked questions specifically about some line items in the budget. One of those was found on page 455. I drew to the attention of the very hardworking parliamentary secretary representing the Attorney General that that particular line item dealt with legal costs on behalf of the state of Western Australia. That particular item was of interest to me—in particular, a sum of \$1.85 million. As the record reflects, it was ascertained, between me and the parliamentary secretary representing the Attorney General, that some \$1.4 million in that line item was assigned to what can be referred to

as the Palmer matters. In fact, Hon Matthew Swinbourn directed that one of the staff answer the question. The *Hansard* shows that that individual stated —

Thank you, parliamentary secretary. The matters that that item refers to are still incomplete and are still before the court. The position that we have taken is that until those matters are settled, it is inappropriate for us to break down what those numbers represent because it could prejudice a settlement of legal costs with the parties involved in those matters.

I responded to that by saying —

I disagree with you, but I accept that that is the answer that you have provided. Can you indicate what those matters are without necessarily providing the costs of those matters? I presume, for example, that one of them is the Clive Palmer litigation.

The response from the officer was —

I can confirm that they are Palmer matters.

In essence, we know that the Treasurer, Mr McGowan, the member for Rockingham, is using some \$1.4 million of taxpayers' money in his ongoing dispute, his ongoing ego game, with Mr Palmer. What we want to know, and what the taxpayers of Western Australia are entitled to know, is exactly how much has been spent on this utterly pointless litigation that resulted in this 139-page judgement by Justice Lee last week. We do not know the answer to that question. Because the Labor government is obsessed with secrecy, it refused to tell us.

There was an opportunity during question time earlier today for me to ask the hardworking parliamentary secretary representing the Attorney General exactly how much money has been spent on this particular fiasco, but there would have been no point in asking that question today, and quite possibly no point in asking it tomorrow or on Thursday, because, you see, Mr Deputy President, the arrogant attitude of the McGowan government is that it will not under any circumstances provide any information on this matter until such time as the court case has, in its subjective view, finished. Until then, it will continue with this charade that somehow any discussion about this matter or any disclosure of information, let alone adherence to a so-called gold standard of transparency, will somehow jeopardise its case—that is, the case between Mr McGowan and Mr Palmer. As I have been at pains to explain to members previously, how could it possibly jeopardise the case for Mr McGowan to come clean and tell us exactly how much money has been spent? It would not have jeopardised the case in any way whatsoever.

We have had this unbelievable result whereby Mr McGowan must be very pleased with himself because he has been awarded \$20 000 from the deep pockets of Mr Palmer. Meanwhile, Mr Palmer has been awarded \$5 000 from the probably less deep pockets of Mr McGowan. But hang on a second. Who is going to pay that money? Is Mr McGowan going to pay the money or are the taxpayers of Western Australia again going to be paying something? He opened his mouth and defamed Mr Palmer and now the people of Western Australia are going to have to pay for it. It is bad enough that taxpayers are going to have to indemnify the defamer, Mr McGowan, the member for Rockingham, for that, but they are also going to have to fund his legal costs, which is top secret information according to the McGowan government. It could not possibly tell us how much money has been spent on that. This is something that we have tried to ascertain and extract from the top secret McGowan government. Remember, this is the government that promised that it would adhere to a gold standard of transparency, and, five years in, the record reflects that it has never once adhered to that standard. In fact, a reasonable observer would say that it has gone out of its way to ensure that it has done the exact opposite. One perfect example of this is that I asked the government about this during that same instructive and worthwhile budget estimates session on 20 June. At page 15 of the transcript of that session, the record reflects that I said —

There is something very interesting about the Palmer case because, as I understand it, the Attorney General, who obviously has responsibility for not only the Department of Justice but the state solicitor, is a witness, or was a witness in the Palmer case. It was reported that he needed to go back to the Sydney court to redo his evidence or to give his evidence for a second time. Whose budget does that airfare come out of? Is it the Department of Justice or the State Solicitor's Office, given he was a witness?

This is the answer that was provided by the hardworking parliamentary secretary. He said —

I am going to be consistent with the position put by the Attorney in the other place, member, and as you know, I am here in a representative capacity. I will quote from the corrected *Hansard* of Thursday, 26 May. The Attorney General said —

As I say, I am not prepared to discuss any costs related to that case.

I will just pause there. Such is the arrogance of this unreliable Attorney General—I will get back to the issue of unreliability in a moment—that he would say, on the record, in the *Hansard* in the other place, and repeated by his hardworking parliamentary secretary in this place —

... I am not prepared to discuss any costs related to that case.



That is the arrogance of the individual. He goes on to say, as quoted again by the parliamentary secretary —

No doubt, once it is finalised, there will be further questions put to us, but I do not want to discuss the costs in that matter prior to the finalisation of the case. I am so instructed by the State Solicitor. We do not want to compromise the state's position.

What absolute garbage! As if the state's position would possibly be compromised by the provision of some information to the taxpayers of Western Australia to let them know how much money has been spent. Keep in mind that the question that I had actually asked in the budget estimates process was about the airfare. How could it jeopardise the state's position for the McGowan government, under the guise of its so-called gold standard of transparency, to disclose how much taxpayers' money was spent by Mr Quigley jumping back on a jet to Sydney to give his evidence for a second time? He manifestly messed up the first time; hence why the Federal Court declared him the unreliable Attorney General. He had to fly back to Sydney for a second time, at whose cost? Did he pay for it himself? He obviously must not have paid for it himself because if he had paid for it himself, I am sure that there would have been a fair amount of grandstanding going on and he would have already told us that he paid for it himself. Therefore, it is reasonable to infer that the taxpayer funded it. If the taxpayer funded it, tell us how much it was. Do not pretend that, somehow, it is going to jeopardise the state's position in the case. Do members think that Mr Palmer could care less how much money Mr Quigley has spent on an airfare to Sydney and that somehow it will jeopardise the case? It would not jeopardise the case. It is false for the McGowan government to suggest that, and the leader of these falsehoods in this instance is the unreliable Attorney General. He is the person who said it! The poor old parliamentary secretary has been left having to simply regurgitate the rubbish that has come out from the Attorney General.

There is no good reason why tomorrow a statement could not be made by the Attorney General. The unreliable Attorney General could stand up in the other place and declare precisely how much that airfare cost. There is no reason why that could not happen. He does not need to wait until Thursday's hearing when Mr McGowan will be back in court again, fighting with his nemesis, Mr Palmer, in yet another court hearing. Guess who is paying for that? The taxpayers of Western Australia will yet again be charged with the bill for Mr McGowan to go back on Thursday. Why? He will go back so he can debate, in the Federal Court, about the costs of this matter.

Let us keep in mind that Justice Lee has already said, and I quote from his judgement from last week, "The game has not been worth the candle." He has already said that, yet Mr McGowan is still going to instruct his solicitors to go back on Thursday to have, presumably, another pointless discussion around costs. Meanwhile, he could not possibly disclose to the people of Western Australia how much these costs are! Although, because of some scrutiny through the budget estimates process from the excellent Standing Committee on Estimates and Financial Operations that we have in this chamber at the moment—it is hardworking, as is the staff—we have found out that it is at least \$1.4 million. What really concerns me is that I doubt very much that the government has estimated the costs correctly. I say that because of a pattern of behaviour that has emerged from this government. I remind members of the Crawford v Quail case, which, astonishingly, every time I ask another question about that, despite the fact that it has been "finalised" quite some time ago, the figure keeps increasing.

How much is it with respect to the McGowan and Palmer file? The taxpayers certainly do not know; the opposition does not know; and the Parliament does not know. That is because it has been hidden under lock and key by the McGowan government as per usual. This is the government that promises gold standard transparency, but continues to deliver the exact opposite.

It is the case that Justice Lee referred to this whole fiasco as not being worth a candle, and members might want to know why. Unfortunately, and it will be rather awkward and uncomfortable for fans of the Premier, but the brutal reality is that Mr McGowan, the Treasurer, the Premier, the member for Rockingham, has made a defamatory statement and he has done so at the cost of taxpayers to boost his own profile. That is the only way we can read this particular judgement. I bring to members' attention paragraph 434 in which Justice Lee goes through his preliminary observations, deep into this judgement. The third of his preliminary observations at paragraph 434 reads —

*Thirdly*, this is a case where Mr McGowan and Mr Palmer have taken advantage of the opportunities created by publication of the impugned matters to respond forcefully in public and (particularly in the case of Mr McGowan) to advance themselves politically.

A Federal Court judge, in a judgement last week, particularly singles out Mr McGowan. In other words, he is even worse than Mr Palmer, particularly in the case of Mr McGowan "to advance themselves politically". At whose cost? At the cost of the taxpayers of Western Australia. There is the Treasurer counting the money, very pleased with himself. As the Premier he has anointed himself as Treasurer, because he could not possibly give that job to any of the other members in his party. He is busy counting his money, and while he is at it, he thinks he might continue to have a stoush with Mr Palmer, because, who knows, what on earth would possibly motivate him to want to actively have a stoush with a person with those kind of deep pockets! All that was required here was for Mr McGowan to keep his mouth closed. That was too much for him. Last week, Mr McGowan was facing a very uncomfortable

press conference. I would encourage anyone to have a look at that as the body language in that particular press conference was very powerful, incredibly powerful. He was being asked these awkward, awkward questions. Yet, for him, in the days after this scathing decision from the Federal Court to basically boast and suggest that he would do it all again is just incredible. He would do it all again at the expense of the taxpayer—seriously! This is the Treasurer of Western Australia; the Premier of Western Australia proudly saying that he would do it all again and then to pretend, again, that somehow, as he said, “Well, it was Mr Palmer who started it.” No, he did not, Premier. The only reason there was a Federal Court decision last week and a Federal Court action last week, when the judgement was made, was that the Premier, the member for Rockingham, defamed Mr Palmer. Had the Premier not defamed him, there would have been no case. Actually, the person who started it was the member for Rockingham.

**Hon Sue Ellery:** Go outside this place and prosecute that argument and see how you go.

**Hon NICK GOIRAN:** Once again, another member in the departure lounge, in this case, Hon Sue Ellery, decides to try with her pearls of wisdom to say—in case the taxpayer of Western Australia missed it, the Leader of the Government, the most experienced member opposite, from the comfort of her retirement chair—basically, “We don’t really care; prosecute your argument outside here.” It is the taxpayer of Western Australia who is continuing to fund this feud, such is the arrogance of this member and her government. All the while, from the comfort of her departure lounge chair, does she rise to provide the information to the taxpayer as to how much money has been spent here? Not on your life. She would not dare do that because, of course, that would mean adhering to gold-standard transparency, which we have not seen once in five years. This member is the leader of the pack. Such is the standard that is provided by the leader of the pack. This is outrageous. The member opposite should be ashamed that the taxpayers of Western Australia have been put to this considerable expense because her leader, the member in the other place, was incapable of keeping his mouth closed. I would like to know While the member opposite from the comfort of her departure lounge chair continues to make interjections from time to time: does she know how much money has been spent? The member opposite is a very senior member of cabinet. I would like to know whether she knows how much money has been spent. Is it \$1.4 million? Is it \$1.8 million, Leader of the House? How much of the taxpayers of Western Australia’s money has been wasted by her and her government? Does the Leader of the House know the answer to that question?

**Hon Sue Ellery** interjected.

**Hon NICK GOIRAN:** She does not know the answer to that question. How outrageous. From her departure lounge chair, she thinks she can make these unruly interjections. It is typical of the arrogance of this member and this government. Meanwhile, the government continues to hide behind its secrecy obsession. In the end, the taxpayers of Western Australia will be informed. It might be uncomfortable for Mr McGowan and it might be uncomfortable for Hon Sue Ellery, but the taxpayers of Western Australia will ultimately be told how much money has been wasted in this matter. Members opposite might not like it. They might like to delay it for as long as possible. We asked them prior to the winter recess, but they could not possibly tell us. We are asking them again, but the honourable member does not even seem to know the answer. Ultimately, it will be found. I hope that on Thursday when this matter is before the Federal Court for yet another discussion on costs, the McGowan government finally comes clean on how much money has been spent. It is not asking too much. Of course, this court judgement reflects badly not only on the McGowan government’s expenditure of taxpayer money, but also on what can now be described as the unreliable Attorney General. I draw specifically to members’ attention paragraph 146 of this extensive, scathing judgement by Justice Lee that was issued last week. He spent some time specifically considering Mr Quigley ahead of everybody else. At paragraph 146, he is particularly concerned about a gentleman by the name of Mr Quigley. Justice Lee says at page 42 of the judgement —

Mr Quigley is the Attorney-General of Western Australia. Prior to his election in 2001, he was a barrister and solicitor having been admitted in 1975.

Regrettably, his evidence was both confused and confusing.

He is not the only McGowan government minister who could be described as confused or confusing. Nevertheless, this is from the Federal Court and the Federal Court judge is concerned at this moment in time only with the Attorney General of Western Australia, who is “confused and confusing.” He goes on to say —

Mr Quigley’s evidence-in-chief was directed to one proposition: there had been no “Attack Plan” as alleged by Mr Palmer in his reply. Mr Quigley claimed that in his interview on ABC Radio Perth he had only been recounting in hindsight what had (apparently) happened, rather than explaining a pre-ordained plan.

During cross-examination, however, Mr Quigley gave contradictory evidence ...

There are warning bells immediately—unreliable Attorney General. We have already got contradictory evidence between evidence in chief and cross-examination. Justice Lee goes on at paragraph 149 to say Mr Quigley —

... accepted that what he had said in the interview was indeed to claim that he and Mr McGowan had engaged in a plan, but that the explanation he had given to the public on the radio about those tactics was “completely false”.

All of a sudden, we have the Attorney General conceding, supposedly, that when he speaks in public, what he is saying is completely false. Justice Lee goes on in paragraph 150 to say —

In particular, Mr Quigley debunked the claim made by him in the interview that he and Mr McGowan had “identified a weakness” in Mr Palmer’s position, namely the non-registration of the arbitral awards, and that they had planned to exploit that weakness by preparing legislation to be enacted prior to Mr Palmer realising he should do so ...

By way of quick translation, Justice Lee is effectively saying that Mr Quigley is in the witness box, has said something on radio, and all of a sudden in the witness box, Mr Quigley is saying, “Forget about what I said on radio; it was all rubbish.” That is what he is saying in the witness box—that everything he said on radio was rubbish. The justice goes on to say —

He said in his oral evidence that he did not even know about the topic of registering the awards, at all, at the time he gave the interview:

...

He insisted that what he had said in the interview, namely that such a “weakness” had been identified, and what had led to the preparation of the legislation, was “completely and utterly false” ...

He is in the witness box, telling people that what he says on radio is completely and utterly false. People should keep that in mind next time they hear Mr Quigley on the radio, and ask themselves the question: “Is this going to be tested in court one day, and he’s going to say, ‘Everything I’ve just said is completely and utterly false?’” That is his track record.

Justice Lee goes on, at paragraph 150 —

In doing so, he engagingly accepted that his version in the witness box was “truly spectacularly different” to what he had said at length and in detail in the interview with ABC Radio Perth ... and repeatedly stressed that his evidence should be preferred because he was under oath ...

So that there is no confusion here, when Justice Lee uses this very charitable language about the Attorney General and says that he “repeatedly stressed that his evidence should be preferred because he was under oath”, we should keep in mind that this repetition has occurred 15 times. When Justice Lee says “repeatedly stressed”, he goes to the extent of citing it in his judgement on 15 such occasions.

Paragraph 151 states —

Then, on 8 April 2022, Mr Quigley was recalled.

That means he has had to jet back over to Sydney at a cost to the taxpayer that is unknown; it is top secret, according to the McGowan government and its fake gold standard of transparency. Mr Quigley is back in the witness box on 8 April. At paragraph 152, Justice Lee says —

With respect —

Wait for the hammer blow to come next —

Mr Quigley’s second appearance in the witness box just added to the brume of his testimony. Even though his return was at his request, for the purpose of correcting “mistakes” ... Mr Quigley misstated his previous evidence he said he wanted to change.

Let us be clear here: we have an Attorney General who, on the first occasion, is in the witness box and is actually saying to people, “Forget about the garbage I have said in my radio interview; it is all utterly false.” That is what he said on day one. On day two, he jets back over to Sydney to fix his mistake, and when he is supposedly fixing his mistake, the judge catches him out to say that he has misstated his previous evidence. It is no wonder that the judge then says that the Attorney General is an unreliable witness. It beggars belief that there is even a discussion taking place about whether the Attorney General should remain in his seat. He obviously should not.

We know that there are some 10 Labor members of the current Western Australian Parliament with law degrees, eight of whom have been admitted as barristers and solicitors in Western Australia, as I understand it, and one of them is Mr Quigley. He is the only one, out of all those members, who has a finding of unreliability in the Federal Court against him—that he is unreliable. He is the only one; none of the others have that—Dr Buti, Margaret Quirk, Hon Matthew Swinbourn, Hon Pierre Yang. None of these honourable members has a Federal Court finding against them that they are unreliable—not one of them. Only one of them has that, and that is Mr Quigley. He is unreliable, and yet Mr McGowan continues to leave him in his seat.

What is apparent from this fiasco is that the Premier of Western Australia has a deep, deep conflict here. He has a serious duty as the Premier of Western Australia and he cannot reconcile that with his friendship with Mr Quigley. The fact that Mr Quigley and Mr McGowan are mates and friends is of no interest to me whatsoever. That is a personal matter between them. But it is not a justification for an Attorney General to remain in his seat when a Federal Court judge has said he is unreliable, least of all in circumstances in which there is a plethora of other individuals to select from.

According to Mr McGowan, Mr Quigley will remain in his seat, in the departure lounge, for the next two-plus years, along with the leader of this house. Obviously, their friendship is the only reason that is happening. Mr McGowan repeatedly said last week, in that very awkward and uncomfortable press conference, that he respects the court's decision. Well, if he respects the court's decision, the Attorney General has been found to be unreliable and needs to go. Bring in one of the reserves. Bring in a replacement Attorney General. How can it still be this particular individual, who has cost the taxpayer of Western Australia by having to redo his evidence in some kind of sequel performance, when the sequel performance was probably worse than the original. According to Justice Lee, he still made mistakes in his sequel performance.

At paragraph 153 of this scathing decision, Justice Lee says —

Mr Quigley was pressed in cross-examination as to just how long before 11 August he had become aware of the risk of Mr Palmer registering the awards. Mr Quigley repeatedly said he was unable to recall; indeed, he could not even say whether it was hours, days, weeks or months prior to the 11 August Cabinet meeting ... But despite this, he later agreed ... that “one of the reasons why [he was] keeping it all secret in June, July, August 2020 or thereabouts was because if Mr Palmer heard about it, [he] might register the awards”.

Justice Lee then provides his commentary on the latest fiasco, in the sequel performance, by saying —

In other words, he —

Being a reference to Mr Quigley —

seemed to accept he was aware of it for months.

So every time the Attorney General of Western Australia opened his mouth during this particular testimony, whether it was on the first occasion or in the sequel performance, his evidence was riddled with errors.

Justice Lee then charitably says, at paragraph 154 —

With a degree of understatement, this evidence sits unhappily with the evidence given on 9 March ...

No kidding. It is a fiasco. This is not some amateur who is sitting in the witness box; this is the first law officer of Western Australia, whose performance was such a debacle that a Federal Court judge had to charitably say, “With a degree of understatement, this evidence sits unhappily with the evidence given on 9 March.” Translation: this is a dog's breakfast.

He goes on to say —

Indeed, Mr Quigley was placed in the uncomfortable position of having to concede that part of the account he gave in the radio interview was not “completely and utterly false”—as he had asserted on 9 March—but was, in fact, “completely and utterly true” ... In other respects, Mr Quigley's evidence was that he had no recollection of various matters, even though they were the subject of his original affidavit, his oral evidence on 9 March and/or his further evidence on 8 April ...

With a memory like that, it is no wonder that we are here, five years after Mr Quigley and Mr McGowan promised that they would expedite law reform with respect to elder abuse in Western Australia, and we have seen nothing of it. He has probably forgotten about it, such is the unreliability of the Attorney General.

If that does not concern members enough, at paragraph 157 Justice Lee quotes from counsel for Mr McGowan. The person representing the member for Rockingham—the Treasurer and the Premier of Western Australia—talking on behalf of his client about the Premier's great mate, the Attorney General of Western Australia, says —

Counsel for Mr McGowan conceded that “[i]f one were to try logically to reconcile [Mr Quigley's evidence], you would be utterly defeated”, labelling it as “outright silly”:

Justice Lee comes in over the top and says —

To similar effect, my comment at the time was that I considered Mr Quigley's evidence was not dishonest, but was “all over the shop”: ... I adhere to this view.

He goes on to say —

It suffices to note that Mr Quigley was not a reliable historian of events.

It follows that I do not consider it is safe to place any reliance upon Mr Quigley's evidence.

It is not safe to listen to anything he says. Everything that he says is unreliable and unsafe. On his first occasion in the witness box, the Attorney General said, "Don't listen to what I said on radio; it was all wrong." Then he tried to redo it, but he made a hash of that and now, in the end, the Federal Court has said, "Sorry. We just can't rely on anything that you've had had to say. We cannot rely on anything you have had to say." This is the star witness for Mr McGowan. Mr McGowan decided, presumably, to write the cheque for his mate to fly over to Sydney, presumably in business class, not once but twice, to be the star witness in the case. We will not tell the taxpayer of Western Australia what the cost is—that is top secret. It ended up in a completely pointless outcome with Mr McGowan no doubt very pleased with himself that he is going to get \$20 000 from Mr Palmer, only to have to give him a cheque for \$5 000 at the same time. What a brilliant decision that was. It was so very wise to bring that court case forward. But in the meantime, it has ended up with his great mate, the Attorney General, being found in a Federal Court to be unreliable.

Of course, this is no surprise to those of us who have been in the legal fraternity for many, many years. It is a well-known fact—we have had this discussion previously in another debate—that Mr Quigley is uncomfortably on the receiving end of two adverse disciplinary matters by the Legal Practice Board of Western Australia. He is also, as the Procedure and Privileges Committee found in the last Parliament, right at the centre of another fiasco that saw litigation against the upper house of Western Australia. The Legislative Council was embroiled in litigation, and at the centre of all that was Mr Quigley. It is another case that he was at the centre of that was a complete fiasco for Mr Quigley. The Legislative Council and, might I add, the former Clerk of the Parliaments, was completely vindicated with respect to that particular litigation against the super-arrogant and unreliable Attorney General. How many more failings do there need to be before this person gets the chop, or is he immune from that because he is best mates with the member for Rockingham, who has assured him that he will not get the chop until 2025 when the Premier retires? That is the gold-standard governance under the McGowan administration. This is utterly outrageous.

I do not think it is asking too much for Western Australians to be treated better than that. They should not have the Premier hiding his great mate in the departure lounge for the next two years. Two years is far too long. It should not even be two weeks, but this unreliable Attorney General will be left in his seat for more than two years all because he is the Premier's great mate. As I say, I call on the Premier and maybe some of the cooler heads in government if anyone has the courage to stand up to him, to do something about this. I doubt anyone is going to, because it seems as though the only person who has the courage to do that is the Minister for Regional Development. When she does that, she suffers the consequences: "The Minister for Regional Development wants us to run a candidate in North West Central? Well, I, Mr McGowan, the dictator of Western Australia, say that will not be happening. How dare you!"

*Withdrawal of Remark*

**Hon PIERRE YANG:** Point of order, Deputy President.

**The DEPUTY PRESIDENT:** Point of order.

**Hon NICK GOIRAN:** I withdraw the remark.

*Debate Resumed*

**Hon NICK GOIRAN:** Mr Deputy President, it is outrageous that when somebody shows a bit of courage to stand up to the member for Rockingham, who from time to time behaves like a dictator, they were then on the receiving end from that particular individual. It is outrageous. The people of Western Australia deserve more than that, and above all else, they deserve to know exactly how much of their money has been spent on this utterly pointless exercise. It involves a counterclaim by the Premier against Mr Palmer. It involves his defence costs with regard to the matter brought against him by Mr Palmer. Why? It is not because Mr Palmer started it, but because the Premier opened his mouth and defamed Mr Palmer. The people of Western Australia deserve to know exactly how much all that cost. They need to know the witness costs. Who else has had their taxpayers' airfare covered by the Premier of Western Australia other than Mr Quigley? Certainly, Mr McGowan would have been one of them. How much has all that cost? I do not agree that the government has to wait until Thursday to provide that information, but if members insist on waiting until Thursday for the case to be finalised, they need to ensure that they have the information when we resume next Tuesday, because the opposition will most certainly be asking that question, as is our duty.

**HON NEIL THOMSON (Mining and Pastoral) [7.46 pm]:** I would like to speak on the Appropriation (Recurrent 2022–23) Bill 2022 and Appropriation (Capital 2022–23) Bill 2022 as we come to this time of night. I have found the process over the last few months interesting. We had the committee meetings, which I thought were more revelatory than we saw this time last year. I will comment on some outcomes of those committee meetings, because prior to the committee, I spoke to the budget and I think it is important to make a few comments on some specific issues that have come to the fore. It is really taking on today's theme of secrecy, a lack of transparency and the opacity

of information that comes through in the budget process, specifically in the Department of Communities. We had quite an interesting dialogue with officers from that department and the minister acting in that role on behalf of the Minister for Housing. On 12 May, John Carey put out a press release titled “\$408 million in additional investments for housing and homelessness”. Quite a lot of fanfare was put forward in that press release. There are comments on new measures such as \$2.1 billion for 3 300 homes and \$45 million for spot purchases. When I read the press release, I got the impression that there has been a significant increase in social housing and the provision of housing for the homeless. I am sure my colleague Hon Steve Martin will talk more on this, and certainly the comments by my other colleague Hon Dr Steve Thomas were very prescient. He raised the issue about the challenges now facing the rental market and home owners who step into the market to provide rental housing.

But, in reality, we are seeing this government increase pressure on people who choose to invest in housing.

A lot of people invest in housing. If we care to look at it, something in the order of between 10 and 20 per cent of people step up in the process of negative gearing, for example, across various suburbs in Perth. Those numbers are fairly consistent across all demographics throughout the Perth metropolitan area, but I digress on that point. The important point is that this government has not done very much in the space of social housing; in fact, it has not done very much in the space of construction of government-owned housing. One factor that I believe is driving this process is the machinery-of-government changes that we have seen occur in the last few years. In fact, in July 2021, I believe, it was mentioned in the dialogue we had with an officer from the Department of Communities, a Mr McIvor—I will have to get it correct—who gave some very interesting information in relation to the second tranche of the transfer of land from the Housing Authority to DevelopmentWA.

What has occurred in simple terms—it sort of gets buried in the budget and we cannot see it—and what gets disguised by these headline press releases on all the investment being made into social housing and homelessness is that in 2017 and 2018, the Labor government did this process of machinery-of-government reforms, which, over the last few years, has resulted in the transfer of the land asset from the Housing Authority to DevelopmentWA. That has had quite a fundamental effect on the way that the state delivers social housing. What gets disguised in the headline figures is that we have now made the government’s job of building housing more expensive in the headline figure that is actually used to construct that housing and particularly to purchase that land. For those who maybe do not understand what I am saying, the point is that in the past, the Housing Authority used to be the owner of a significant amount of in globo land—that is, undeveloped land. There has been a tradition in Western Australia for the Housing Authority to own vast areas of land around the outer metropolitan suburbs of Perth in particular that it can use to engage in partnerships or joint ventures with some of the larger property developers and then deliver social housing. It has been very successful. We have seen communities like Ellenbrook, for example, develop in that way, and there has been a process under which a certain percentage of lots have been made available to the Housing Authority in order for it to then construct social housing. That has all gone now. One point is that since the machinery-of-government reforms, restriction has been placed on the Housing Authority to develop up to only 30 lots at a time—that is, relatively small-scale developments. We have seen some unusual outcomes of that, and we saw an example in the town of Manjimup the other day that I have no doubt my colleague, Hon Steve Martin, will talk about at some stage. We are seeing a concentration of social housing in smaller developments, which I do not think is a very good outcome from a social point of view, because of the restriction that has occurred with the changes and the machinery-of-government processes.

The second part, of course, is the huge transfer of the land asset—it is in the budget and was discussed in the committee hearing—free of charge from the Housing Authority. There has been no expenditure back from DevelopmentWA; DevelopmentWA did not have to purchase that land off the Housing Authority. That land has simply been transferred to DevelopmentWA. It has now gone to the new entity formed by the merger of the Metropolitan Redevelopment Authority and LandCorp. Some specific features of the two agencies need to be considered as the reasons that I think this is debilitating the ability of the government to deliver social housing like it used to in Western Australia.

I placed a question on notice some time ago focused on government-constructed housing in general. Over the period of the Barnett government, if I recall correctly, in the order of a thousand government homes were built a year, whereas for the five years of the McGowan government, that number has reduced to about 600. It is not surprising when we look at the acts that govern the activities of these two agencies. DevelopmentWA is not an agent of the Crown but it has to act on commercial principles. Under section 19(1) of the Western Australian Land Authority Act —

- (1) The Authority is to —
  - (a) perform its functions in a cost-efficient manner —

That is fine —

- (b) endeavour to achieve or surpass the long term financial targets specified in its strategic development plan as existing from time to time —

That is fine, but this is the important kicker —

- (c) ensure that no individual project undertaken by the Authority has an expected internal rate of return that is less than the minimum rate of return specified in its strategic development plan as existing from time to time.

Because DevelopmentWA is a government trading enterprise, it also has liability for duties, taxes and rates. Section 32 states —

- (4) The Authority is to pay to the Treasurer in respect of each financial year an amount equivalent to the sum of all local government rates and charges that, but for subsection (2) and section 6.26(2)(a)(i) of the *Local Government Act 1995*, the Authority would have been liable to pay in respect of that financial year.

It pays this tax equivalent to the Treasurer. It does not pay it to local government for the land; it pays it to the Treasurer. It also has these dividend requirements under section 38 —

- (1) Any surplus remaining at the end of a financial year after the cost of the operations of the Authority and the amount of any interim dividend paid under subsection (7) during that financial year have been taken into account —
  - (a) may, in accordance with this section, be paid wholly or partly as a final dividend to the Consolidated Account; and
  - (b) to the extent that it is not so paid, is to be applied for the purposes of the Authority.

That is an important point. We have taken land out of the Housing Authority. I will go through some of the very different ways in which the Housing Authority operated, which had a mandate to provide social housing for the most vulnerable people in our state and deliver affordable housing for those who were just getting on the first step of the housing ladder. It got away from the spin—away from the situation in which we have these grand statements by the minister that the government is spending all this extra money. The government had the asset to deliver that; it quietly got on with the job and delivered in spades. Instead, the government took the very golden egg from the goose called the Housing Authority and gave it to DevelopmentWA in order to provide these dividends—the tax equivalents, duties and rates—back to the Treasurer. It is really just a great big money machine. As Mr McIvor said, something in the order of \$570 million was transferred on 1 July 2021. That was the second tranche. I am yet to find out what the second tranche was worth. I believe that in the order of \$3 billion worth of land might have been transferred away from this entity called the Housing Authority whose mandate is to look after the most vulnerable in our community. In a way, it is great because then the minister can say that the government has this consolidated account, it has made all this money from the land it has taken off the Housing Authority and it has given it to DevelopmentWA to make some profits to pay into the consolidated account. It takes some of those profits and funds and, with great fanfare, it announces through a media release all the extra money it is spending on social housing but the outcomes are actually much worse.

The reality is that this government has failed to deliver social housing in the same numbers that previous governments were able to deliver. What is worse, we have curtailed the ability of the state agency that is responsible for protecting and housing the most vulnerable. The Housing Authority has had a long track record of working with government on some of the large broadacre areas around the city. Some of the crown land has been rezoned and strategic planning has been undertaken in order to enable the Housing Authority to build on its land asset over time so that it can continue to enter into these joint ventures in a way that provides that incredible outcome that we have seen over many years at many levels. We do not talk about the housing continuum anymore. We do not see that come out; we just see those grand announcements from the government saying that it will give back the money it took off the Housing Authority in the first place to build some more houses for social housing. We do not see the nuanced approach that the Housing Authority had when it did not have this mandate for profit making to deliver a range of housing options for people, including shared equity. We saw great fanfare about a little bit of trickle money coming into shared equity. We had that discussion. Mr McIvor gave some figures and said that additional money is finally being put into shared equity. We used to go on the Opening Doors website and see that virtually every suburb in Western Australia had available housing for shared equity. I am not talking about social housing but shared equity—people getting that first step on the housing ladder.

We hear comments like “Are you serious?” If people sat down and looked at the detail of what happened when the machinery-of-government reforms came into play, they would see how this led to the spin doctoring saying we have all this money. Look at what has been delivered on the ground. We have a housing crisis in Western Australia, particularly at the lower end. We are strangling the new housing market where people make those first steps. Those people on \$50 000, \$60 000, \$70 000 or \$80 000 a year, those single income families or those double income families that may be earning up to only \$100 000 a year, used to be able to readily access those incredible developments.

I suppose if there is a commendation, we did have a conversation with officers in the committee, and that was better than last year. It is great that the committee is so ably chaired by Hon Peter Collier. I found that this year was more useful. I got some information. We need to take a serious look at the effectiveness of some of the structural changes

that have gone on across our agencies through the machinery-of-government reforms to make sure that we deliver those housing numbers that we need into the future and ensure that there is adequate housing supply and we are not strangling the Housing Authority, which is not required to pay that dividend under the Housing Act 1980. It is not required to pay dividends to Treasury and it is not required to pay taxes, but, ironically, it pays rates to local governments, which is very interesting indeed. It has certainly led me to have a number of further questions, which will be coming in the near future. This land transfer issue has fundamentally impacted our ability to deliver for the most vulnerable in our community.

**HON STEPHEN DAWSON (Mining and Pastoral — Minister for Emergency Services)** [8.05 pm] — in reply: I thank honourable members for their contributions to the debate on the Appropriation (Recurrent 2022–23) Bill 2022 and the Appropriation (Capital 2022–23) Bill 2022. Certainly, there were no surprises in the contributions that were made. I will certainly bring those contributions to the attention of the Treasurer to make sure that he understands and is aware of the thinking of honourable members in this place. Members have heard me talk over the past few weeks about the success of this government’s budgetary prowess and skill and how we have managed the economy over the past five years, particularly in the last two years. Without going over again the cost-of-living support that we are providing, the record investment in the health and mental health systems or, indeed, the additional \$1.6 billion for the continued response to COVID-19, honourable members will know that this budget involves record investment in this state and we will continue to keep this state safe and strong.

With that, I commend the bills to the house.

Questions put and passed.

Bills read a second time.

[Leave granted to proceed forthwith to third reading.]

*Third Reading — Cognate Debate*

Bills read a third time, on motions by **Hon Stephen Dawson (Minister for Emergency Services)**, and passed.