

APPROPRIATION (CAPITAL 2015–16) BILL 2015

Third Reading

Resumed from 24 June.

MS R. SAFFIOTI (West Swan) [11.26 am]: I rise to finish my contribution to the Appropriation (Capital 2015–16) Bill 2015 that I started yesterday. I was talking about the total cost of the Perth Stadium and the impact on the state's finances. This morning, further information has been made public about the total cost of the stadium to the taxpayers of Western Australia. As the opposition has always said, it has been very difficult to get the true cost of the stadium out to the public. Let us look at it. It is one of the most expensive—probably the most expensive—project undertaken by this government so far, yet the government has not wanted to provide the public with the full cost. I do not know why. Is it because the government is embarrassed about the total cost of this stadium now? Through the government's performance on this issue over the past couple of weeks, it tries to give a bit here, a bit there and a bit somewhere else, but it does not total it up for us. When we ask for the total cost, the government refuses to give it to us. It is now embarrassed about the total cost.

As we always say, new things are always popular. New shiny buildings are popular. Of course we all like new, shiny things, but the true issue is: what are we prepared to pay for it and what is the opportunity cost of those projects? What has come out today is something that the opposition has always said: a new stadium, costing \$1.7 billion, will have operating costs. The current Subiaco stadium, Domain Stadium—previously Patersons Stadium—is unique because the West Australian Football Commission basically manages it. The revenue generated goes to football. In a sense, it is a self-contained stadium. The state has contributed millions of dollars to it over the years for expansions, but the revenue generated goes to football. It goes to major footy clubs but, moreover, it goes to grassroots football throughout Western Australia. When a new stadium is built at a massive cost, there was always going to be leakage in a sense. There are more mouths to feed, particularly when the government struck a design, build, finance and maintain contract; it was always having to feed more mouths from the same activity.

There was always going to be millions of dollars leaking from the current situation to the new situation, and the question is: who will pay? Is it going to be the taxpayers or is it going to be football? That was always the question. Someone has to pay for this new stadium. A \$1.7 billion stadium cannot be built without some issues in relation to the ongoing costs.

The question is: who is going to pay for it? Is it going to be football or is it going to be taxpayers? We can make a comparison with the current stadium. This is the key point: we are not replacing a complex financial structure with another complex financial structure. The current stadium is, as I said, pretty much self-contained within football. We are replacing it with an entirely new set of arrangements and people involved. There was always going to be a price to pay—the up-front costs that the state taxpayers are bearing; that is, construction and transport costs of about \$1.3 billion or \$1.4 billion. There were always going to be those costs. Taxpayers are paying for that, and they will never recover that capital cost. So, taxpayers are paying for the capital, but the other part of the equation is: who will pay the ongoing costs of this stadium? We know taxpayers are throwing in over \$1 billion for the capital construction, but who will pay the ongoing costs that were always going to be significant? An asset worth over \$1 billion cannot be built without incurring significant management, maintenance and operating costs.

So what did we try to find out? We tried to find out from the government the monthly service payments; the amount taxpayers will be obliged to pay Westadium in relation to the finance and maintenance costs of the structure—what the monthly service payments will be. That amount is guaranteed to Westadium; it is an amount that will leave the consolidated fund and will be guaranteed revenue to Westadium. We have always tried to find that out. It was not in the budget papers, even though it should have been. That amount gives us an indication of what taxpayers are up for on a monthly basis. The government said, “Look, we haven't included those costs.” As I said, these are not the capital costs; these are the finance and maintenance costs, basically. The government said, “We haven't included those costs in the budget because they are going to be recovered from the users of the stadium.” Remember that the key users of the stadium are the two football clubs. We learnt today, as we had pretty much guessed, that the government had not, and has still not, reached agreement on those user fees.

We now have a situation whereby the financier has a guaranteed return. Let us put this out there: the financier has a guaranteed return.

Mr W.J. Johnston: With zero risk.

Ms R. SAFFIOTI: With zero risk.

When we hear talk about public sector comparators and the transfer of risk from government to the private sector, that is false. The key risk in relation to the ongoing agreement of the stadium is content risk; that is, getting the operations—getting the volume of activity in through those stadium gates to generate the revenue. That is where the risk is in relation to modern stadia, and the government has kept all the content risk. We now have a situation whereby state taxpayers will provide a guaranteed rate of return to the financier and will have to recover the costs from somewhere, primarily football.

If we look at the financials, the financier gets a guaranteed return; someone has to pay that and it is either football or taxpayers. That is where it has to come from: it is either football or taxpayers. This is where the government is at now. Does the state stump up and provide an operating subsidy for the stadium because football cannot cop a \$16 million hit each year, or do we ask football to absorb the total \$16 million hit?

As I have said all along, this is very complex because of the current arrangements at Subiaco Oval. As I have said, these things happen over time. People may believe that football has had a good deal over the years—I have heard that said a number of times—but the point is that the deal and the arrangement is there, and trying to deconstruct that into this new stadium was always going to be complex because of, particularly, the design, build, finance and maintain model. The government is locking taxpayers into annual payments of capital and monthly payments of finance and maintenance costs, so someone would have always had to pay.

That is what we have been trying to establish. The government has brought down a budget that hides the total capital liability of the project and does not reflect the continued operating costs. It is incumbent on the government to come clean today. Who will be paying? Will it be taxpayers or will it be football? The government should have had this sorted initially. It should have had it sorted before it started building. I honestly thought, when I saw the clubs with the government the day before the election, that this had been sorted.

Mr B.S. Wyatt: Locked away.

Ms R. SAFFIOTI: I thought it had been locked away, because, frankly, I cannot see why anyone would be out there unless they thought they were going to be better off. I thought it had been locked away, but it is obvious that it had not.

As I said, someone has to pay. A \$1.7 billion obligation cannot be created for taxpayers without someone paying. When the financier gets a guaranteed rate of return, someone always has to pay, and the government has not been up-front about this. Will the government offer an ongoing operating subsidy? As I said, we already know that the cost of capital will not be recovered from taxpayers, but will there be an ongoing payment—an ongoing subsidy? That is the question.

For the government to stand every time we ask a question about the true costs and say “You guys don’t like stadia” is, again, how this government treats the finances of the people of Western Australia. As I said, I think some of the government is becoming aware of this issue. People are a lot smarter than the government gives them credit for; they actually understand that this stadium is starting to cost a bit, oh and by the way, the government is cutting financial counsellors and taking education assistants away from our schools. People are starting to understand that. This government came and said what colours the stadium could be before it had actually determined the cost and who would pay for it. It has come out and said it can turn it purple—fantastic!—but how much is it going to cost and what will the ongoing costs be? The government determined the colours this stadium could be before it determined the cost to taxpayers, and that is what has happened.

It is incumbent on the government to give us the full cost of this stadium, as we said. That negotiations are still happening as the construction is underway is a disgrace. As I said, this is why the Langouant report was commissioned. We have seen it in relation to Adelaide Oval: we have seen good reports about the style of development there, and I know many people who have been across to watch football over there and they say it is a very, very good ground. But even that had a financial impact on the clubs because of the increased user fees. That does not even compare with the new stadium. People would argue that the new Perth Stadium will have more opportunities to generate revenue because of the increased number of hospitality and entertainment venues. There is a point to that argument. Bear in mind, though, that the amount of additional revenue needed to be generated to pay for the increased charges will be astronomical, because these charges will be a lot higher than the charges at the current stadium. As I said, someone always has to pay for it. This stadium will have more mouths to feed; there is no doubt about it. There will be football and other players in there, but the question is: why did the government not sort this out at the beginning?

I want to finish by referring to some transport elements in my electorate. The Minister for Transport stands and speaks in this place on a daily basis and seems to believe that no government ever did anything before he became a member of this place. There is “before Nalder” and “after Nalder”. I do not think he believes that roads or train lines were built BN—before Nalder. His performance yesterday was incredible when he said that the train line to

Ms Rita Saffioti; Dr Tony Buti; Mr Mark McGowan; Mr Bill Johnston; Dr Kim Hames; Acting Speaker; Mr Roger Cook

Mandurah was a joke. Labor will have a debate with the Minister for Transport any day of the week on not only our public transport credentials but also what we did with our road network—any day of the week. This minister, who took no notice of transport until about a year ago, stood up and completely dismissed anything that happened before Nalder, and gave us an insight into how shallow he is on transport in this state. Labor's record on public transport is there to see. We built roads. We built Roe Highway stages 6 and 7; we built Forrest Highway; we built Tonkin Highway; and we built extensions to the freeway. That is what governments do—and we did it with a lot less contribution from the commonwealth. We had to beg the commonwealth for a 40 per cent contribution to construct Forrest Highway. Federal Labor governments in the past had given 80 per cent. We did it with a lot less contribution from the commonwealth. We will stand and have a debate on all transport matters any day of the week.

Mr P. Papalia interjected.

Ms R. SAFFIOTI: Yes, in particular. As I said, we are willing to have that debate any day of the week.

I want to finish on one last issue about the Malaga Drive–Reid Highway interchange. The minister stood in this place about a week ago and tried to have a go at me. He said that the government was on time and on budget on Malaga–Reid and promised that it would be finished by June this year.

DR A.D. BUTI (Armadale) [11.42 am]: I did not intend to talk about Perth Stadium, but the member for West Swan has inspired me to talk a bit about it. Last year I was sharing a taxi over east with an Australian Football League executive who could not believe that the state government would build the stadium where it is being built and how much it would cost. The executive questioned the location of the stadium and could not believe that the state government would spend that amount of money on a stadium. In an estimates hearing the opposition prised out of the government the cost of the stadium, but we all know it will end up costing much more. It is an absolute joke to think that we will have a stadium that will cost the taxpayers of Western Australia upward of \$2 billion—I would say even more by the time it is finished, given all the associated costs—without undertaking a proper business cost analysis. This stadium is being built purely at the whim of the Premier. I know that cabinet ministers opposed it—as they should have—when it was being discussed in cabinet. A few rational members of cabinet oppose spending so much money on a football stadium. The Minister for Sport and Recreation said that the government hoped to get some contribution from the AFL. It hoped to get some contribution from the AFL! Guess what? The government will be hoping for a long time. Other states are laughing at Western Australia. The AFL assisted with Adelaide Oval and with other stadiums over east. Those commitments were made before major capital investment was committed to by the state governments. Western Australia committed to the capital investment and then went cap in hand to the AFL. We will be incredibly lucky to get anything from the AFL. No or very little contribution will come from the AFL, even though it will be the main beneficiary of the new stadium, and we will have a stadium that cost more than \$2 billion by the time it is finished, when there were sensible alternatives. The government decided to go with the Premier's whim. He drove along the freeway, looked at Belmont Racecourse and wanted to buy it for the football stadium. Perth turf club would not budge, so he looked at the other side of the road and saw a golf course and decided he would put the stadium there, which of course would be a major benefit to Crown Casino.

I want to move on to a number of capital issues in my electorate. Cabinet members are very well aware of the Armadale region. They came out to the Armadale region a few months ago and shadow cabinet members were there only last week. As we know, the Armadale region is one of the fastest growing regions in Australia, with an annual population growth of more than five per cent. A number of issues need to be addressed but I will talk about only two or three this morning.

One issue is the justice precinct, about which cabinet members received a briefing from the City of Armadale. There is no doubt that the current courthouse is way beyond its use-by date. Every day lawyers have to obtain instructions from clients in hallways; there is immense overcrowding of children and parents et cetera; and the security issue is a major concern. A trial was held at the courthouse a few years ago when nine prisoners from one of our incarceration centres had to be transported there but there was an insufficient number of holding cells to hold them.

Then, of course, there is the current police station in Armadale, the status of which I have been articulating my concerns. Armadale is a regional centre and the nearest police station heading south of Armadale is on Albany Highway in Williams, which is 132 kilometres away. The nearest police station on the South Western Highway is at Mundijong, which is 18 kilometres away. The nearest policing centre is in Cannington, which is 12 to 13 kilometres away. Although the police station in Armadale is operational 24/7, it is not open to the public 24/7. It is not open at all on the weekend and is open only 9.00 am to 5.00 pm or 4.30 pm Monday to Friday. Even though it is a major centre, many police officers work from the Armadale Police Station, but we do not have it as a major policing centre. I understand that under the new Frontline 2020 model the south east corridor is the only

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Ms Rita Saffioti; Dr Tony Buti; Mr Mark McGowan; Mr Bill Johnston; Dr Kim Hames; Acting Speaker; Mr Roger Cook

corridor that does not have two 24/7 police stations. The only one we have is in Cannington. Surely with the growth in population in Armadale, particularly south of Armadale, the government could acknowledge the drastic need for a 24/7 policing centre. The usual line from the government is, “We don’t want people sitting behind computers and desks.” That is not what we are asking for. We are asking for what Cannington has: a proper policing centre with all the same services that operate out of Cannington. Anyone who argues that Armadale is a region that does not require that must live in a parallel universe.

It is very interesting, because the Armadale Health Service website states the number of beds in the hospital is in the range of 200 and 500 beds. What is the number? My guess is that it is more likely to be 200 beds than 500 beds. Perhaps that latter number refers to the camper beds that are put up when patients come in. What a stupid statement to have on a website. It might be more applicable to know exactly how many beds are at the hospital. I see that the Minister for Health is trying to find out the actual number of beds in the hospital, which is great—and before the end of my speech, I imagine. As the Minister for Health would know, the Armadale Health Service is under immense pressure and needs ostensive capital investment. However, as we know, Fiona Stanley Hospital has taken up much of the health budget. When one considers the enormous amount of money that Fiona Stanley is sucking from the health budget, one wonders why it does not operate in a more functional and efficient manner. The problems we hear about on a day-to-day basis are enormous and as a result of the money that the Fiona Stanley complex is dragging in from the health budget, other hospitals, including regional hospitals such as the Armadale Health Service, are suffering. Elderly patients now have to travel to Bentley Hospital for cataract surgery. There is no easy public transport system from Armadale to Bentley. The train station is some distance away and one would either have to walk a couple kilometres or transfer to a bus, which is not as frequent as one would hope.

There is a particular railway crossing in Kelmscott that the Minister for Transport is well aware of that is in need of drastic action. I refer to the Denny Avenue railway crossing. People must understand that the crossing is about 200 metres from the Kelmscott train station and, as a result, every time a train stops at the station, the boom gates go down; in peak hour that is every four to five minutes and for the rest of the day it is at least every 10 to 15 minutes. Between the railway line and Albany Highway, there is a distance of 200 metres and there is another distance of 200 metres from the train station to the crossing. The boom gates are down for a significant portion of the day. It is the only west–east crossing in Kelmscott.

Dr K.D. Hames: There are 286 beds!

Dr A.D. BUTI: There are 286 beds; I was right!

Dr K.D. Hames: There are not 500 beds.

Dr A.D. BUTI: Definitely not 500 beds. I knew that the number of beds would not be 500 and would be down towards the figure of 200. Thank you very much, Minister for Health.

At the Denny Avenue railway crossing the boom gates are down more than one would wish for in trying to establish a constant flow of traffic. The issue is not only one of traffic stagnation, but also the number of accidents, because there is now a Spudshed on the corner, which has increased traffic demands in the area. There was a fatality earlier in the year at the intersection of Albany Highway and Denny Avenue involving a taxidriver. This project has bipartisan support in the sense that the federal member for Canning, which takes in the Armadale region, Don Randall, and I have pressed the Minister for Transport, the member for Alfred Cove, to commit to improving the Denny Avenue railway crossing. This project goes back many years. There was an investigation and a solution was instigated under the former member for Armadale, Hon Alannah MacTiernan, who was a former Minister for Transport. The solution was to move the crossing another 200 or 300 metres further down towards Armadale and for that crossing to be in the form of either an overpass or underpass so that people do not need to stop at the boom gate. That project was to be signed off at a cost of between \$30 million and \$40 million, although there were contingency costs in it so it may be slightly more or slightly less. But, of course, in 2008 there was a change of government and there has been no progress since then—none whatsoever. I have written to the Minister for Transport, as has Don Randall, seeking a meeting with the minister at the crossing. I am very disappointed that he did not agree to meet us. I believe the minister has gone to see the site for himself, but the point is that federal and state members are well aware of the issues and concerns and it would improve the minister’s understanding of the demands and needs of the area if he attended a meeting with the federal and state elected representatives. The situation is not sustainable; the population continues to increase and the problems of that intersection must be addressed. There is a viable solution, which is to move the crossing to Davis Road and to make the crossing an underpass. The Metropolitan Redevelopment Authority has purchased four to five properties in the vicinity that needed to be reclaimed for the Davis Road solution to commence. That has already taken place. Now all we need is the government’s commitment, just as we need the government to commit to the justice precinct.

Ms Rita Saffioti; Dr Tony Buti; Mr Mark McGowan; Mr Bill Johnston; Dr Kim Hames; Acting Speaker; Mr Roger Cook

I will quickly mention three other issues. The government committed to a \$9.5 million investment in Cecil Andrews Senior High School and Armadale Senior High School for a commercial kitchen at Armadale Senior High School and two science laboratories at Cecil Andrews Senior High School. They are positive commitments by the state government and are to be applauded. However, Cecil Andrews Senior High School really needs a performing arts centre; indeed, it is a specialised performing arts school, but it does not have a high quality performing arts centre. A performing arts centre at the school would also serve a purpose for the community, because there is no performing arts centre in the Armadale region. The government could commit to and invest in a performing arts centre at the high school, which could be utilised by the students in the specialised program and the public. At a community reception in Armadale a few months ago, a question was posed about a performing arts centre. The Minister for Planning gave an honest reply and said that there is no commitment or forward planning for a performing arts centre in the region, but building one at Cecil Andrews Senior High School would solve the area's educational and community needs.

I turn to education. There is an amazing lack of capital investment in technical or TAFE facilities in the Armadale region; indeed, there is no campus in Armadale. There is a campus in Maddington–Thornlie, but there is a desperate need for a campus in Armadale because of the population growth south of Armadale. I am sure that the Minister for Local Government, the member for Darling Range, has spoken to his colleagues in cabinet about the explosion in growth in the Byford and Serpentine–Jarrahdale region. The Wungong development will house about 40 000 new homes, so for Armadale to not have a purpose-built TAFE campus is appalling. The government must commit to this.

There is one final thing before I sit down.

[Quorum formed.]

Dr A.D. BUTI: If members look at the budget papers, they will not believe—some domestic duties are being performed.

Mr P.T. Miles: Blood on the table!

Dr A.D. BUTI: The member for Forrestfield realised I was talking about Cecil Andrews Senior High School and got excited.

The ACTING SPEAKER (Mr P. Abetz): I think they are watering down the budget!

Dr A.D. BUTI: Yes!

Earlier, I was applauding the capital investment in Cecil Andrews Senior High School and saying that a performing arts centre might be the next thing that is required.

If members looked at the budget papers, they would not realise that we have a domestic or family violence epidemic or crisis in Western Australia because there is very little investment in recurrent or capital spending on family violence services. Where is the government's investment into providing more safe shelters or safe housing options for victims of family violence? A by-line under the Department for Child Protection and Family Support mentions a slight increase in some services for domestic violence victims, but there is a desperate need for a major capital investment to provide safe housing accommodation options for victims of domestic violence. The government needs to commit to a significant investment in that rather than worrying about what colour the football stadium can be on any given day or whether people can listen to music or football commentary while they are in the toilets. It is quite obscene. This government proudly announced that the toilets at the new football stadium will have music piped into them or the commentary of the game, when due to the government's budget cuts over 500 educational assistants will lose their jobs and women and children who are victims of family violence are homeless because this government has failed to get its priorities right.

Several members interjected.

The ACTING SPEAKER: Members, there are a few too many conversations taking place. Can you keep your voices down or take them outside.

Dr A.D. BUTI: The government's priorities are not right. Its priority is to have a good football stadium, but it does not have to be a football stadium that will basically put us into more and more debt. Only one parliamentarian—the young environment minister, Mr A.P. Jacob—might still be in this house when the amount of debt generated by this government is under control. He will be about 90 years of age if he is still here when that debt is paid off. The rest of us will have long passed by. It is an absolute shame to be leaving that debt to generation after generation. The government's priorities are wrong when it lays off education assistants and does not provide appropriate accommodation for victims of domestic violence.

MR M. MCGOWAN (Rockingham — Leader of the Opposition) [12.03 pm]: I rise to make a few remarks about the Appropriation (Capital 2015–16) Bill 2015. I will talk about what the government is doing with Perth Stadium and some of the privatisation arrangements it is proposing to enter into for contract. We found out in the budget that the asset investment program is declining over the forward estimates. As budget paper No 3 showed, asset investment is declining, in effect, because the state has now got such extraordinary levels of debt and a deficit beyond what anyone would ever have imagined seven years ago. That must now be dealt with and part of the way in which the government is dealing with it is to decline investment in the future asset investment program. An asset investment program is basically for capital works across the state. Because the capital works program is declining, that naturally means a decline in employment in Western Australia. The government should have saved capacity for extra capital investment for when the heat was coming out of the mining industry. That is indisputable because budget paper No 3 shows that the asset investment program is declining across the forward estimates when the state should be picking up the slack, particularly for those who have lost employment after being engaged in construction and other activities over the course of the last 10 years during the resources construction boom.

I do not intend to speak for long but I want to address some of the issues with Perth Stadium that the members for West Swan and Armadale spoke about recently. I will start with this premise: there should be full transparency around the cost of the stadium project. The government is prepared to go out to the site and do media announcement after media announcement and get followed by the press who, I think, fall for the pretty pictures too often and do not ask the hard questions about some of these things. There should be more transparency and less secrecy around this project. Many Western Australians want to see a new stadium but those same people would like to see the full cost revealed and the answers to a few more questions that I will pose to the government in a moment. Just so that it is completely clear, I remind members that the Premier in particular has a penchant for automatically concluding that we oppose something if we ask for transparency or if we question it. He has a regular routine when we ask a question about something to say that means we are opposed to it. It is an interesting jump in logic that to ask about something means we do not support it. It is almost Orwellian or Soviet-style the way he makes conclusions on things because people question them. I remind members that the Major Stadia Taskforce report was commissioned 10 years ago by then Minister for Sport and Recreation, Bob Kucera. The Langoulant report involved very senior people in business, government and sport across Western Australia and it came up with a number of options. The report was adopted by the former Labor government and, indeed, as opposition leader in 2013, I endorsed a new stadium for Western Australia. Admittedly, I endorsed a new stadium in Subiaco, the traditional home of football, which would be far less expensive than the model adopted by this government. That is on the historic record and pretty much indisputable. The government has gone for a new option. On the day before the election, the football clubs endorsed the new option—I think they now have some concerns about the wisdom of their action at that point in time—the government won the election and it is now proceeding with its plans at Burswood. Members might recall that the Premier had four options. The first one was a rebuild of Subiaco, and then there were three other options, with the third being the new stadium at Burswood. The stadium is now under construction at Burswood and, naturally, it will happen, but that does not get away from the fact that we need to ask a few questions and get the full cost. That does not mean we oppose it; it means that we want Parliament to operate in the way that it should—as a house in which questions are asked and information is gathered and promoted to the people of Western Australia.

I want to make a few points up front before I get into the secrecy around the costing of the stadium. I find it absolutely incredible that a commitment from the commonwealth to assist with the cost of the stadium was not secured prior to the commencement of construction. When asked this question by the member for Albany the other day, the Minister for Sport and Recreation said that the project is financed. All she was doing was sending a direct message to the commonwealth government that we are building it. Then she said that it would be nice, and then said, “I am hopeful”—they were her words—that the commonwealth would provide a contribution. After nearly seven years in office—seven years in which it could have secured that commitment, including two federal elections in the meantime, when the commonwealth government is naturally susceptible to an ask—the state government did not get a commitment of money. Tens of millions of dollars are committed by the commonwealth to stadia in other states, yet prior to the start of the construction of the stadium, the state government did not get a commitment of money from the commonwealth government. What sort of businesspeople are government members that they did not get that commitment up front? Now, of course, they are hopeful that the federal government might commit. The minister said on Tuesday that it is financed, it is going ahead. So the commonwealth sport minister will be sitting there—or more to the point, the federal Treasurer—and reading that the Perth Stadium is financed by the Western Australian government, and he will be saying to himself, “We don’t have to worry about it.” I find it incredible that the state government did not get that commitment up front.

Ms Rita Saffioti; Dr Tony Buti; Mr Mark McGowan; Mr Bill Johnston; Dr Kim Hames; Acting Speaker; Mr Roger Cook

I heard the Premier on FM radio the other morning saying that the most important thing was to start construction—six years into office the most important thing was to start construction and to worry about the financial matters later. That is what he said. When people build a house, is that what they do? Do householders start construction and worry about the finance later on? No. They sort out the financial details first so they know what it will cost them and so they know what the contributions will be. They will look at what their income is and work out the best arrangement before construction starts. That is what people do. But this government does the opposite: it starts construction and then asks people whether they will make a contribution. Who are they going to ask? There were two federal elections during which the state government could have got a commitment from the federal government, but it did not.

Mr B.S. Wyatt: Mr Topsy-turvy.

Mr M. McGOWAN: “Mr Topsy-turvy”—the most brilliant article ever. Jonathan Barrett should get a Pulitzer Prize for writing that most brilliant article, in my view.

The second group that should have been asked is the AFL, which also makes contributions to stadia development. Admittedly, it does not make huge contributions, but it makes contributions because it is the big beneficiary. This stadium will be a multipurpose facility, but, let us face it, 90 per cent of its usage will be Australian Rules Football. Where were the negotiations on obtaining contributions from the AFL before construction started? Now we, as a state, are in dispute with the AFL. Our obligation was to protect taxpayers. That is what we should have done. The contribution from the AFL—and it has made contribution to other stadia—should have been secured up front. Is it any wonder we are heading towards \$36 billion of debt with this level of incompetence by this government? I want to raise the other point: even as a state we did not ask for a contribution from Crown. The Premier said, “I’m not going to ask.” He said that would be an outrageous idea, yet we are going to build a stadium next door to the casino. The other day the Minister for Racing and Gaming said that he thinks there will be minibuses running between the stadium and the casino every Saturday or Sunday or Friday night whenever football games are on. When I asked how he knows that, he said that it had just occurred to him. “That was the thought I just had,” was his answer to that question. I think he probably is right. Crown will probably organise buses between the two; it is only a short walk between the two.

Ms R. SAFFIOTI: There will be a travelator.

Mr M. McGOWAN: There will probably be a flying fox from the stadium right across to the casino.

Mr R.H. Cook: The flying fox will be connected to their wallets!

Mr M. McGOWAN: Yes; no doubt there will be a monorail. They will probably buy the one in Sydney and install it at the casino. It will be able to carry all those happy people from the football straight to the casino. The casino is a business and, as a business, I think it is run fairly well. I had a lot to do with it when I was racing and gaming minister—in fact, I put up taxes on the gaming machines. Crown should have been asked for a contribution and there would have been nothing inappropriate about that. Members might recall that the Minister for Racing and Gaming got a contribution from the casino of \$20 million for other purposes. I got a contribution out of Crown that was devoted to the Swan River Trust, and I suspect all of that has been removed—but Crown should have been asked. What did the government do? Nothing—it did not ask Crown. We did not ask the commonwealth, we did not ask the AFL and we did not get any contribution from Crown, and now the full cost is borne by the taxpayers of WA. I find that to be an amazing set of events. It is not as though there was this massive hurry when the government got to office because Subiaco Oval was not operating, was falling over and could not take football anymore, and construction had to start immediately. This government has been in office for nearly seven years. It had all that time and two federal elections in the meantime. It had all that time in which to do those things and it did not. Who pays the price for that? The taxpayers of WA pay the price for that. That is who pays. No-one else pays. What happens? It is all racked up on the credit card. The government could have reduced the credit card bill had the government done those three things, but it did not. That is a failure of management.

Where are we at now? The AFL, according to the stories out there today, is concerned because of the ongoing cost to the financiers of the stadium that are going to suffer a \$16 million per hit on their finances. The current model at Subiaco, which has been around since the 1980s, the West Australian Football Commission model begun I think by Graham Edwards, by which the football commission controls Subiaco oval, all of the proceeds of the oval go back into football. Who wins out of that? The football clubs, no doubt, win; but also a large component goes towards KidSport and Auskick. Many of our children have done Auskick. It is well funded and well supported. The Western Australian football model is not the same as in South Australia, Victoria, New South Wales or Queensland. It is a unique model whereby the proceeds go back to football, and it has been around since Graham Edwards, I think, set it up in the late 1980s. I think it is the envy of other states because it is a cooperative model for football.

The football commission, of course, has a 99-year lease at Subiaco. There will be a different arrangement at the new stadium, and football is now concerned it will lose \$16 million. I want to protect the taxpayers' interests against everyone, but we are now in an unfortunate position in which there is a fight going on between football and the state government. Football is threatening that they will not go and play there. The Premier is threatening that if football wants to stay at Subiaco, he can stop the train service. Did members hear that one the other day? "We will not put on additional train services," he said. Football has said it wants to protect its revenues, and the Premier says, "We want you to go to the new stadium, and if you don't, we can stop the trains."

Mr B.S. Wyatt: It is just like stopping the iron ore.

Mr M. McGOWAN: Yes. He has the levers. Remember what happened with iron ore? He has the levers; he can stop the ships from leaving the ports. Remember the GST? He was going to stop all the donations from going to the federal Liberal Party unless it fixed the GST. Where did we end up? We ended up at 30c in the dollar. That was another victory by the Premier!

We are now in the position where the taxpayers are at risk. Our obligation is to protect the taxpayers of Western Australia. However, the Premier has exposed the taxpayers of WA because of the way he has constructed these arrangements. I will tell the Premier what he should have done. He should have resolved this issue with the AFL before construction of the stadium commenced. He had six years in which to do it. However, he did not resolve these issues. He did not get the contribution upfront, and he did not resolve, prior to starting construction, the issue of whether football games would be played at the new stadium at Burswood. The AFL is in a pretty good bargaining position over the state. The AFL has a 99-year lease on Subiaco stadium, and the government has started construction on the new stadium at Burswood without resolving these issues. That is the bind we are now in. There is now \$16 million a year that the AFL is seeking to keep. If the AFL succeeds in doing that, that will be a \$16 million a year hit to the state taxpayers. The reason the AFL is in a good bargaining position is because the government did not resolve these issues when it had the opportunity to do so. That is the problem the state faces. It is a conundrum. Apparently the Premier will be going to the game tonight and will be meeting with the AFL to talk about it.

Several members interjected.

Mr M. McGOWAN: I hope he is not catching the train. He probably will not be too popular if he is on the train. That is the train he has threatened to stop, by the way.

Let us see what happens tonight. I suspect what will come out of it is that the taxpayers will bear part of the cost and the AFL will bear part of the cost. My view is that this issue should have been resolved upfront. If the taxpayers are spending \$1.7 billion on a new stadium, surely the taxpayers should not have to pay for the privilege—pay for the privilege of the football clubs playing at that new stadium.

Dr K.D. Hames: Say it all twice!

Mr M. McGOWAN: I have to, because otherwise members opposite do not take it in.

Several members interjected.

Point of Order

Mr W.J. JOHNSTON: Mr Acting Speaker, the Deputy Premier is not only interjecting on the Leader of the Opposition; he is now trying to engage other members who are not on their feet to speak across the chamber. I ask you to call him to order for his continual interjection.

Dr K.D. HAMES: That is true, and I apologise.

The ACTING SPEAKER (Mr P. Abetz): Thank you.

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Member for Bassendean, the Leader of the Opposition has the call.

Debate Resumed

Mr M. McGOWAN: As I was saying before I was so rudely interrupted, I suspect both sides will take a loss. It should not have been that way. The taxpayers should have been protected from the very beginning. That is what should have happened.

I want to turn also to the total cost of the Perth Stadium. It has been like drawing teeth, trying to get to the bottom of the cost of the stadium. Yesterday, the member for West Swan asked a question on notice in this house of the Minister for Sport and Recreation. It was a very clear question on notice. However, instead of reading out a simple answer, as has been the tradition of questions on notice, and as happens in the other place, the minister

decided to be cute and difficult about it and not provide the transparency and honesty that we would expect on this issue. The question we have is: why will the government not admit the total cost of the stadium? From our calculations, the cost is \$1.7 billion. The government has left out of its total costing the \$150 million for the design, build, finance and maintain contract for the stadium precinct. That is an issue that the government has to answer. Members may recall that the cost of a new stadium at Subiaco, which already has all the rail, was around \$700 million. We are now up to a cost of \$1.7 billion for the new stadium. I think the new stadium at Burswood will be attractive. However, people need to know what that additional \$1 billion would have paid for in capital terms. It would have paid for a rail line to Yanchep. I was in Armadale the other day. It would have paid for an extension of Armadale Road. It would have paid for new train stations along the rail routes. It would have paid for upgrades to cycle paths. It would have paid for a new rehabilitation centre in Shenton Park for people with spinal injuries. When we spend \$1 on one thing, we cannot spend it on another. That is the fundamental law of economics. The additional cost of the new stadium needs to be exposed. People need to be able to make transparent and reasonable judgments about these things. People need to know what the cost is. That is why we will continue to ask these questions about the total cost. It is pretty plain that the cost in today's terms is \$1.7 billion. We need to remember that virtually all that money is borrowed. That means there will be additional interest costs that have not been taken into account in relation to the upfront costs of this project.

There are a lot of questions that need to be answered about why we have gotten ourselves into this position as a state and why the government has failed to protect the interests of the taxpayer in relation to this project. I am sure the Premier will come in with his repetitive whine, because that is his nature, and say, "You don't support the project! You don't support the project!" It is not about that. It is about being honest about the cost. Whenever we ask a question about a project, all the Premier can say is, "What have you got against the project? You don't support it." One minister said recently, copying the Premier, that we do not support children. Do members remember that one? I think it was the Minister for Police who said that. She said that we hate children. I have got three of them!

Several members interjected.

Mr M. McGOWAN: Members opposite have learnt to repeat this mantra that if we ask a question about something, we actually hate it. Honestly! It is too ridiculous for words to use that red herring all the time, and with that snarly, nasty tone that the Premier uses. My advice to members opposite is: do not copy it, because it is wearing thin with the public. The minister said—I think it was the Minister for Police—that we hate children! That is because we dared to ask a question. My advice to members opposite is: do not fall for the trap. I think most people, bar the most blue-blooded Liberal Party member in Peppermint Grove, would not believe that I hate children!

That is my contribution to the capital debate. We just want some honesty and transparency on this issue.

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [12.28 pm]: I want to make a contribution to the debate on the Appropriation (Capital 2015–16) Bill 2015. Obviously the capital expenditure in relation to health is always a significant spend and one that is worthy of comment. I am sure the Minister for Health would want to be remembered, as he will be, as he sails into retirement—he has not got there yet —

Mr B.S. Wyatt: Physically!

Mr R.H. COOK: Yes, physically — for all the hospitals that he has built. He will talk about Fiona Stanley Hospital, which was designed and paid for by the former Labor government. He will be very keen to talk about the rehabilitation hospital there, which was of course paid for by federal Labor, and he will be very keen to talk about Midland hospital—"That's a great build." That was also half paid for by federal Labor. The new Perth Children's Hospital is a great looking project —

Mr D.J. Kelly: It is wonderful, but too small—never mind!

Mr R.H. COOK: Indeed. It is a good looking hospital, if only a little stunted in height.

Mr W.J. Johnston: And paid for with \$350 million.

Mr R.H. COOK: I was going to say \$300 million—was it \$350 million? Three-hundred and fifty million dollars came out of the royalties windfall that it got through BHP Billiton and Rio Tinto. The Minister for Health has been very lucky. I am sure he will want to be remembered for the capital spend during his time in office. But of course, the government will not be remembered for what it built; it will be remembered for what it promised, but failed, to build.

I turn once again to Royal Perth Hospital; the hospital that the Minister for Health so lovingly embraced prior to the 2008 state election. He went out of his way to work with the staff and the associations of that hospital to put that massive petition together and, in the process, made promises around what he was going to do at that hospital

as part of its glorious future. Those petitioners and the people of Western Australia have been badly let down by the dishonesty of the Barnett government.

Dr K.D. Hames: The petition was only about the retention of Royal Perth as a tertiary hospital, not anything else. I accept that we have not done the other commitments that we made. I do not think that was in the petition.

Mr R.H. COOK: There was a clear commitment from the government that it would redevelop Royal Perth Hospital. The member for Morley campaigned again on that very point in 2013.

Dr K.D. Hames: And very successfully.

Mr R.H. COOK: As the minister points out, very successfully. It is galling for us that this government was fraudulently elected on the back of that election lie. It must be considered an absolute betrayal by the people of Western Australia that this government would so blatantly repudiate its own election promises around this project. The minister will probably say, “The reason we’re doing that is because of difficult financial times.” Of course we are not in difficult financial times; it is a financial crisis brought on by the government’s own mismanagement. In addition to its own mismanagement, it is a crisis that has been brought about by it simply not having the ticker. It is unable to make the difficult decisions of government; that is, prioritising those projects that it entered into by way of a contract with the people of Western Australia. Rather, it has been distracted from time to time by thought bubbles for other projects. A quick drive across Windan Bridge, and all of a sudden the state has lost upward of \$2 billion for a football stadium when much cheaper options were available. The Minister for Health would now be wishing, as a member of cabinet, he had voted for a cheaper option rather than going for the expensive football stadium option. Now there is no money left. It was extraordinary the number of occasions the minister, during estimates in this place, used that very excuse to explain why he would not be going through with some capital expenditure items, why he would defer others and why he is simply not fulfilling his proper role as Minister for Health.

The failure to redevelop Royal Perth Hospital is further exacerbated by what is essentially a running commentary by different members of cabinet about what they think should go on there. Quite frankly, although the government said it would redevelop that hospital as a new tertiary hospital to take advantage of the downsizing of it to redevelop the southern wing—that is what the minister said—we hear different stories from other members of cabinet. The Treasurer ventures forth that it should simply be demolished and started again because he “heard” that that was the cheaper way to go. I wonder if that is the same advice that the Minister for Health received about the redevelopment of Royal Perth Hospital. It is good that the minister is a lot quieter for me than he was for the Leader of the Opposition!

Dr K.D. Hames: It is only because he kept saying everything twice.

Mr R.H. COOK: Saying everything how many times?

Dr K.D. Hames: Three times!

Mr R.H. COOK: We have also recently heard the latest ridiculous thought bubble from the Premier about what the government wants to do at Royal Perth Hospital. This time the Premier has come up with this fanciful notion that somehow Royal Perth Hospital is going to be converted into some sort of medical tourism opportunity, attracting private partners to set up shop in what the Treasurer thinks should be demolished in order to try to stimulate a medical tourism industry. I am not sure where this idea came from. It certainly did not come from the clinical services framework, that document that carefully rolls out, plans and schedules the expansion of our health system. I do not know if it came from a conversation with the Minister for Health. I literally wonder whether the Premier made it up on the spot as he was confronted by executives from the WA chapter of the Australasian College of Health Service Management. He stood there looking at them thinking, “What can I say that will knock their socks off?” These people are responsible for the careful provision of clinical services in this state. They are the most senior leaders in the Western Australian health system. The Premier thought, “What can I say to them to give them confidence that we take their work seriously and that the government has a plan for where they want to take the health system?” Opened the mouth of the Premier, and he ventured forth with this cockamamie, ridiculous idea that somehow we will set up some sort of medical theme park at Royal Perth Hospital, attracting private patients to the state to take advantage of our health system.

It is a good health system—it is a very good health system, and it is one that we should all be very proud of—but I do not think that anyone in Western Australia seriously suggests that we should use this precious piece of physical infrastructure in our health system to venture into what can only be described as one of the most ludicrous ideas I have heard for some time. Aside from the case of the commerciality of setting up a medical tourism system in a health system that has a much higher cost structure than, say, medical systems in Singapore or in other places that have a thriving medical tourism industry, I cannot think what possessed the Premier to venture forth in this ludicrous way. In doing so, I think he did a disservice to the serious health leaders who were

assembled there on that day. He also does a disservice to the Minister for Health, who is supposed to be responsible for rolling out sensible policy. Once again, we see this thought-bubble approach from a Premier who literally makes it up as he goes along, day after day. The reason we get so frustrated in this place is we have a Premier who will stand in this place to provide one answer on one day and the next day he totally repudiates the position he has previously talked about and ventures forth on a completely different policy exercise or policy folly. Quite frankly, it devalues the democracy that we all cherish and it certainly devalues the careful policy planning and implementation of the Department of Health.

I invite the minister, either now by interjection or perhaps through some other opportunity he will have in this place, to provide us with a snapshot of what the Premier meant when he talked about developing a medical tourism industry at Royal Perth Hospital and how that is consistent with his election promise that the government would redevelop it as a public tertiary hospital. Once again the minister, who was very keen to interject on the previous speaker, seems to not be quite as interested in participating in an informal way in this debate. I can only imagine that he was embarrassed, as was everyone else who has an informed view about health policy in this state, by the Premier's comments earlier this week.

I want to talk about a range of other very serious capital works that should be taking place in the health system but are not.

The ACTING SPEAKER: I remind the member that he can talk only about what is in the bill, not what should be in the bill.

Mr R.H. COOK: Absolutely; I fully understand that, Mr Acting Speaker. I am very keen to reflect on the debate we had during the estimates hearing when we touched upon these very points.

The second project I wish to raise is Graylands Hospital. I have raised this topic during seven estimates hearings, starting with my very first estimates hearing in 2009. In these hearings, I raised the subject of what the government is doing in redeveloping Graylands Hospital. I want to take people back to where we were in relation to this particular part of the debate. The government has always had money set aside in the forward estimates for the redevelopment of Osborne Park Hospital, and this is again reflected in the works in progress portion of the budget. The fundamental aspect of the redevelopment of Osborne Park Hospital is the increased capacity for mental health services, particularly in the acute area. What was explained to me in my very first estimates hearing—I am not sure whether it was the Minister for Health or the newly minted Minister for Mental Health at the time—was that developing the mental health capacity at Osborne Park Hospital would free up the capacity at Graylands Hospital and thereby provide the opportunity to retire those wards at Graylands that are, quite frankly, subhuman, let alone substandard. In particular, I am drawn to the examples of the Smith and Murchison wards at Graylands Hospital, which are quite clearly below the expectations we have for treating people with acute mental illness. Year after year, the forward estimates have reflected the delay and deferment of any redevelopment at Osborne Park Hospital, and we were again greeted with further deferrals of expenditure at Osborne Park Hospital. In particular, the \$26 million stage 1 of the reconfiguration of Osborne Park Hospital has now been pushed out to 2018–19 in the forward estimates. This is an extraordinary abrogation of our moral responsibility to mental health patients with acute illness. When we cross-examined the minister about this, he said that it is because the Mental Health Commission has its own priorities for how it spends its money at these hospitals and, as a result, that money has been held back. I am sure that the Mental Health Commission has its own priorities, and I understand that the commission is fundamentally informed by the review undertaken by Professor Bryant Stokes, which indicates that our step-down and subacute mental health services need to be increased to take the pressure off acute beds. That is the prevailing wisdom for the current provision of acute beds—that is, we do not need more acute beds; we need more subacute beds, which will take the pressure off the acute beds. That is fine if we have acute beds that are capable of delivering the standard of service that we have come to expect, but the fact of the matter is that Graylands will never be able to deliver that level of service, so we must bring on the redevelopment of the mental health unit at Osborne Park Hospital as a matter of priority. Although it does not fit in neatly with the priorities of the Mental Health Commission, it does fit in very neatly with our moral obligations to some of the most ill and most vulnerable patients in the system.

I turn to the issue of the Quadriplegic Centre. I know this matter was touched on yesterday in debate in the other place and it is an issue about which we questioned the minister during the estimates hearing in this place. I acknowledge that the minister shares all our concerns with the standard of care provided at the Quadriplegic Centre. We are very pleased that the minister announced that a review was being undertaken, with the Queensland equivalent of the Quadriplegic Centre visiting to advise on the much-needed upgrades to the centre. We are pleased that the minister's comments were backed up by the acting director general of Health, Professor Bryant Stokes, in his comment in the other place that the redevelopment of the Quadriplegic Centre is an issue of extreme urgency. I think Professor Bryant Stokes said something to the effect of it was a disgrace that more progress had not been made on it. I remind the minister that he has been the Minister for Health for over

Ms Rita Saffioti; Dr Tony Buti; Mr Mark McGowan; Mr Bill Johnston; Dr Kim Hames; Acting Speaker; Mr
Roger Cook

seven years now and he has had ample opportunity to turn his attention to this very issue, ample opportunity to go to the Economic and Expenditure Reform Committee and cabinet and get funding for these urgently needed upgrades, and ample opportunity to complete what he has said is one of his great projects of unfinished business. I acknowledge the minister's comment that he had taken two business cases to the government for the upgrades to the Quadriplegic Centre.

Several members interjected.

Mr R.H. COOK: I think what the member for Bassendean was trying to say in his interjection was that if the minister's influence within cabinet has run out of puff and his capacity to leverage the ample funds that he has managed on several occasions to get out of government coffers has come to a halt, perhaps cabinet is visualising the twilight of the minister's political career.

Mr I.C. Blayney: What about Jim McGinty? He was really good, wasn't he!

Ms J.M. Freeman: The bromance continues!

Mr R.H. COOK: If the minister's influence within cabinet has run out of puff, perhaps it is time that he considers his future and completes his time in this place as a member of the backbench. But I just want to go back for a moment to the interjection from the member for Geraldton. Member for Geraldton, one of the things we always celebrate in this place is the great bromance between the Minister for Health and the previous Minister for Health, Hon Jim McGinty. Never mind that he redeveloped the member for Geraldton's hospital into a major regional health centre.

Mr I.C. Blayney: Half the size it was before—brilliant!

Mr R.H. COOK: And never mind the fact that he completely revolutionised health services in the member's area. What we constantly have from this minister is the excuse that Jim McGinty did it; therefore it must be okay.

Debate interrupted, pursuant to standing orders.

[Continued on page 4898.]