

**LOAN BILL 2016**

*Second Reading*

Resumed from an earlier stage of the sitting.

**MS R. SAFFIOTI (West Swan)** [2.46 pm]: I am continuing the remarks I made before lunch. We saw why the government needs a \$1.7 billion loan bill. We saw it during question time, when the Treasurer mocked the Labor Party for wanting to properly fund expenditure. The Treasurer thought that it was absolute craziness to try to properly fund expenditure. That is what he said. He went on the attack and said, “How dare the Labor Party have a policy that means we properly fund expenditure”; that is, our revenue matches our expenditure. This government has not properly funded anything; it has just borrowed —

Several members interjected.

**The SPEAKER:** That is enough!

**Ms R. SAFFIOTI:** It is like an episode of *Toy Story* sometimes in here!

**The SPEAKER:** Thank you; through the Chair, member for West Swan.

**Ms R. SAFFIOTI:** The idea that we would properly fund anything is a shock to the Treasurer, because his idea of funding is borrowing, and for the first time in the state’s history we are borrowing for wages. Labor wants to fund our wages from our revenue—crazy! I know the Treasurer thinks that is a crazy concept because he likes borrowing for wages. The Treasurer does not believe in properly funding expenditure. He went on the attack today, saying, “How dare the Labor Party properly fund its initiatives.” This is how we have seen it: the Treasurer tries to attack the Labor Party on financial management when he has 45 days left to go; otherwise the lights will turn off. We would not be able to pay our electricity bill. This is the situation the government has got us into. The power station is another example, again through question time. The government does not look at—I hate to say the words, “the big picture”—the whole picture of its expenditure on initiatives. The government went to sell a power station site, and the power facilities—these are the current power facilities as opposed to the unused East Perth power station—would somehow have to be relocated. Taxpayers would have to pay for that through the whole process. Now the government is wondering why it does not make any financial sense. Instead, maybe the government should have looked at different options. After eight years of government, it has not been able to proceed even with that. The only asset the government has sold is the Perth Market Authority and it had a negative impact on the state’s finances. Government members stand up and talk about their financial credibility when the government has record debt and a record deficit, and it will run out of money in 45 days because it has mismanaged the finances so badly. It then goes on the attack because the Labor Party wants to properly fund its expenditure. I know that properly funding anything is not something that this government, particularly the Liberal Party, wants to do; it does not want to properly fund anything.

I want to go through some of the other reasons that we are here today. There was an article in the paper stating—I do not normally quote the paper—that the government is good at spending, but not investing; and that the spending process is enough. It is fine that the government spends. All the government looks at is what it spends; it does not look at the long-term impact of its expenditure. The classic case is the Perth Stadium decision. When the Labor Party was in power, it looked at the whole issue of stadia in WA and considered a rectangular stadium, a football stadium and all the other implications of making decisions on the future of sporting facilities. The Labor Party understood that there had to be a comprehensive outcome for the WA community. This government made a decision on nib Stadium, with expenditure of about \$100 million, plus ongoing subsidies and the payout that had to be made to Allia Venue Management. It made the decision about the new Perth Stadium at Burswood, a stadium that is probably costing \$1.7 billion.

**Mr C.J. Barnett:** Don’t go; stay away.

**Ms R. SAFFIOTI:** The way the government is going to price things, no-one will be able to afford to go!

**Mr C.J. Barnett** interjected.

**The SPEAKER:** That is enough, thank you.

**Mr C.J. Barnett** interjected.

**The SPEAKER:** That is enough, Premier. Let us keep going, Member for West Swan

**Ms R. SAFFIOTI:** It will cost \$1.7 billion plus the ongoing subsidies and expenditure. Then there are the other complications about the future of the existing football stadium and the WACA ground. The government would have thought that at the frontend it would try to get the complete package—some framework to work towards. The outcome will now cost taxpayers probably over \$2 billion when it all flushes through—the cost of Perth Stadium, nib Stadium, the WACA redevelopments and the future of Subiaco oval. All those things will cost potentially more than \$2 billion. People have this idea it is okay that the government is spending money, but

we have to look at the outcome. It is the same with the Ord River project. The government spent money, but what was the outcome?

Several members interjected.

**The SPEAKER:** That is enough! Members! Premier! We do not want a side debate.

**Ms R. SAFFIOTI:** I remember asking the Department of Housing up there how many Indigenous people were employed in government jobs looking after the maintenance of housing. Do members know what I was told? There were none. The government can talk all it likes, but when there was real ability to get local sustainable jobs —

Several members interjected.

**The SPEAKER:** Minister for Lands, one; member for Bassendean, one.

**Ms R. SAFFIOTI:** I went there and asked questions, particularly about jobs in the community.

[Member's time extended.]

**Ms R. SAFFIOTI:** I asked about long-term job prospects in areas like housing and maintenance, given the expenditure up there, and the department told me that there were no Indigenous workers there. There you go, minister.

The government thinks it is okay to run the state's finances into the ground to such an extent that it needs to borrow a further \$1.7 billion to get through the rest of this financial year. As I said, anyone can spend money, but the government has to make decisions about maximising the outcome and getting some return, whether it is a policy return through social, environmental or economic outcomes. That has been a failure of this government. We saw this again with the Treasurer espousing the government's management of this state. He said there had never been a cost overrun and there had never been anything that was late. The Perth Children's Hospital was meant to open last December. We still do not know where the lead in the water is coming from. There has been delay after delay and additional costs incurred as a result of those delays. The car park is a prime example; it costs \$500 000 a month for an empty car park. There is this idea that that is cheaper than if the government had built and managed the car park itself. The government is paying that operator \$500 000 a month. Taxpayers have paid for the car park.

**Mr C.J. Barnett** interjected.

**Ms R. SAFFIOTI:** The Premier believes that any analysis of expenditure is boring, or is it just me? The Premier is pleasant as always.

**The SPEAKER:** Through the Chair. Carry on.

**Ms R. SAFFIOTI:** I cannot wait till he goes. I do not care who the Liberal Party puts in—anyone but that negative, nasty, carping, bitter, angry person.

**The SPEAKER:** Thank you, keep going through the Chair.

**Ms R. SAFFIOTI:** I would have thought he would be slightly happy. He has been Premier for eight years. I thought he would have got over the chip on his shoulder that he got in the Liberal Party when he was battling Doug Shave. I thought he would have got over that, but he never got over it and he is still taking that out on anybody he can find.

The government's idea is that paying \$500 000 a month for an empty car park is somehow a good deal. I do not quite understand how that can be a good deal for the state when taxpayers funded the car park.

**Mr J.H.D. Day:** Don't you understand that it is part of the bigger contract?

**The SPEAKER:** Thank you, Minister for Health.

**Ms R. SAFFIOTI:** I understand that the government signed a contract that obligated the state's taxpayers to pay \$500 000 for a car park regardless of whether the hospital was ready or not. That is what I understand and that is what has been proven. For the Treasurer to say that the government has never blown the budget on any project and that they have all been finished on time is, again, a complete mistruth and a misleading of this house. The Ord-East Kimberley report was tabled last week. What should have been, as I recall, a two-year \$400 million project ended up being a seven-year \$500 million project. That is a cost and time blowout if ever I have seen one. What are the returns? The government does not care. The government has never cared about the outcome; all it has cared about is the expenditure. The government has never cared whether the money could have been better spent. As I said, I have been to the Kimberley to look at the Ord project. I was disappointed with the local employment opportunities, given the hundreds of millions of state taxpayer dollars going into the project. I went to a dinner. I will not go through it, because it was one of the most bizarre dinners I have ever attended, with

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some of the things that the then minister, the member for Pilbara, was talking about and the songs that were sung that night. It struck me that that project was a bizarre expenditure of money in which the process of spending out-valued any outcome. If the government pours \$300 million into any project, it will create some jobs, but are there enough sustainable jobs to justify the expenditure and what is the outcome for agriculture?

I represent the Swan Valley, which is an agricultural precinct, and all this government does is impose higher costs, more land tax and higher electricity charges. It has done nothing to support local growers in what has been historically a very productive region.

I turn to Elizabeth Quay. The government built it, but what is the outcome? Are people coming to WA because of Elizabeth Quay? The Premier said that three million Western Australians have visited Elizabeth Quay. How is that determined? Was it by mobile phone numbers and towers?

**Mr J.H.D. Day:** Have you been there?

**Ms R. SAFFIOTI:** Yes; I have done so many press conferences near that failed water park that my mobile phone has probably triggered about 30 visits!

**Dr M.D. Nahan** interjected.

**The SPEAKER:** Treasurer, I call you to order for the first time.

**Ms R. SAFFIOTI:** I went there. I took my six-year-old daughter to the playground that the minister said was safe. She came back all cut and bruised because the place was not finished. I have never said that before, minister, but it was not finished. The government advertised it and then had to shut it down because it was not finished. Yes, I did go there to have a look in the first weeks, but I have been down there trying to understand how the government spent \$12 million building a water park that was not safe for children. As I said, the way the government calculates visitation—the number of mobile phone numbers collected by the receiving spots—means my mobile phone would have been picked up a number of times. The hundreds of workers the government has had back and forth trying to fix the water park would have been picked up. People driving past would have been picked up.

Several members interjected.

**The SPEAKER:** Thank you!

**Ms R. SAFFIOTI:** The minister stands up and says that three million —

**Ms J.M. Freeman** interjected.

**The SPEAKER:** Member for Mirrabooka!

**Dr A.D. Buti** interjected.

**Ms R. SAFFIOTI:** The member would have been recorded as a visitor; that is what would have happened.

The government said that three million Western Australians visited there. What is our population? The government is saying that every person, including my 91-year-old father and my entire family, has been to that park. It is absolutely misleading.

The government is focused just on spending, not on outcomes. It has always been easier to spend in government—and, basically, in the household. Everyone loves to spend; we all love it! But we have to try to get some outcomes. When we are in charge of taxpayers' money, we have to look at the longer term impact. In many of these spending decisions, the whole cost has not been looked at. One example is the stadia. Looking at all the continuing construction and other costs of the stadia in front of us, can we see how to make a package that is going to make financial sense? The government invested in one—nib Stadium. It spent \$1.7 billion on Perth Stadium. There are issues with the WACA that need to be sorted out over the next six months, and then, of course, there is the existing Subiaco Oval. There are maintenance issues. The government has taken over nib Stadium because of cost issues. It paid out, ultimately, about \$11 million to Allia Venue Management. The ongoing annual subsidy for the stadium, as far as we know, will be about \$60 million from the state budget. There are costs upon costs upon costs for contracts entered into.

The cabinet has completely broken down. The Premier is coaching the Deputy Premier, and the rest of you guys are just running around. I do not know what government members are doing, but there is no consistent, coherent government. On a day when there are more people unemployed in WA, the Leader of the National Party thinks the matter of urgency is a bill to create two new members of Parliament in this place. The jobs plan of this government is creating two new members of Parliament! Why does it have to do that? It is because, under the National Party, the share of people living in regional WA compared with Perth has dropped. Under the National Party, there has been a movement of a proportion of people living in regional WA to the city. That movement shows a complete failure of its policies and that it has not invested in good economic opportunities or created sustainable industries.

As I said, I am going to go through all the projects. Some of the associated IT costs at Fiona Stanley Hospital continue to be a factor in the Department of Health. We have talked about the new Perth Children's Hospital, Elizabeth Quay and NorthLink WA. All these issues affect the budget and the amount of borrowing that is needed. There is anticipated revenue in the forward estimates from land sales. Those land sales are not being achieved and, as a result, the state's finances continue to deteriorate.

My last comments will be on the mining tax from the National Party. The National Party and its leader are going out and saying that his mining tax will help sort out WA's financial problems. It shows why, under a Premier who does not believe in forward estimates and a Leader of the National Party who does not believe in any sort of sustainable financing, we are hitting debt levels of over \$30 billion this year. The idea that we would tax large mining companies at this point, at the bottom of the boom, which, under the current GST redistribution formula, would see 90 per cent of that redistributed in the next three years, shows us just how idiotic that policy is. The government is completely unable to control the National Party, but it is willing to take its numbers in this house. It has complete disregard for the fact that the policy would be damaging not only if it were to be implemented, but also because of the uncertainty and confidence factors in the economy. The National Party is continuing to undermine what is a very low business sentiment out there. It continues to drive insecurity and uncertainty in the wider economy. The Treasurer is completely oblivious to it all. Yesterday, he could not work out whether we were building 56 railcars over the next 10 years or 50 times six railcars over the next 10 years. He is completely oblivious to it; he makes it up as he goes along and cannot sit down and work out the detail. For someone who commented and criticised as much as he has to not understand the full implications of his spending decisions is, I think, one of the biggest shocks to everyone in this place.

**DR A.D. BUTI (Armadale)** [3.06 pm]: I rise to contribute to the debate on the Loan Bill 2016 that the Treasurer has introduced into this house. When the Treasurer was the executive director of the Institute of Public Affairs, did he ever imagine that he would become a parliamentarian and a Treasurer and would be introducing a loan bill in order to ensure that the government does not shut down? I am sure that he never, in his wildest dreams, would have thought that he would be the Treasurer of a government unable to manage its financial and economic affairs.

Before I get on to the economic management of this government, there are some other matters I would like to raise. I am wearing the South Fremantle scarf. The member for Fremantle is wearing a more modern, trendier version of the scarf than I am. She did a fantastic 90-second today—probably the best 90-second statement in the six-odd years I have been in Parliament—wishing South Fremantle the best of luck this weekend against the Dockers reserves, which is Peel Thunder. Before I leave that point, there is a really serious issue in the football industry; that is, the Dockers and the West Coast Eagles using Peel Football Club and East Perth Football Club as their feeder clubs. I do not think it has worked for East Perth or Peel, even though I know Peel may well win this weekend because of its strength, but I do not think it is good for the WAFL or that the Dockers or Eagles need that. Let us move on to more important issues.

Before I talk more about the need for this Loan Bill, last night the government voted down a private member's bill introduced by the Leader of the Opposition aimed at fighting domestic and family violence. Shame on this government for deciding to vote down the Criminal Laws (Domestic Violence) Amendment Bill 2016. The Deputy Premier; Minister for Police said that we needed to work in a bipartisan way to tackle family and domestic violence, but voted down a bill that she offered no criticism of at all and, in fact, contained clauses that were similar to or the same as clauses introduced by the Attorney General in the other place last night. One of those is Saori's law. Last Saturday when the Attorney General held a press conference to announce that the government was going to introduce legislation to implement Saori's law, he was reminded that in 2012 the Leader of the Opposition introduced a bill to amend section 281 of the Criminal Code to provide for a maximum imprisonment of 20 years for convictions that have a family or domestic violence element to them. It was called Saori's law in honour of Saori Jones who was brutally murdered by her husband, who is now free.

At that time the Attorney General said that it was mischievous and populist of the opposition to introduce this bill. When this was put to him at the press conference last Saturday, he replied that he had said that at the time because it was related to only one case. It is surprising that he would say that, because it was not related to only one case. When Hon Eric Ripper was still Leader of the Opposition, he received a petition on the need to change this law, and a number of advocates and support groups for victims of domestic violence stated that a number of people were being convicted under section 281 for domestic and family violence, which was what it was never intended to be used for. In his second reading speech yesterday in the other place, the Attorney General said —

Although the circumstances that gave rise to section 281 were the so-called "one-punch homicides" in the context of drunken assaults in public houses, the offence has also been charged in circumstances in which the assault has been committed in the course of family violence. Lack of sufficient evidence that would support a conviction for murder or manslaughter has obliged prosecuting authorities to charge under section 281 in several cases of violence in a domestic setting resulting in the death of the victim.

It was not just one case. A few years back, the Attorney General tabled in the other place a review of section 281 that discussed the community disquiet that this section was being used in a domestic and family violence scenario. Shame on the government for voting down a bill that could have passed through this house. It could have even moved amendments to strengthen the bill and introduce some of the clauses that have been introduced in the other place. As the Attorney General said last Saturday, it is unlikely that his bill will pass both Houses of Parliament before Parliament is prorogued for the election. The Deputy Premier talked about a bipartisan approach to tackling family and domestic violence, but the government was put to the test last night, and it failed miserably.

**Mr R.F. Johnson:** I suggested that the government take the clauses in the bill that was introduced yesterday by the Attorney General and put them in the opposition's bill, which is a very good bill, and then we could guarantee that that bill would go through both houses by the end of this year. Now, the Attorney General and the government know that there is very little chance of that bill getting through, unless we sit for an extra couple of weeks, which I would advocate. We are getting up in the middle of November; we will be getting up in August soon, if we are not careful. Let's sit till the middle of December if we have to, and pass this very important bill.

**Dr A.D. BUTI:** Although, if there is to be a new Leader of the Liberal Party, the government may not want that leader to be questioned as Premier in Parliament.

**Mr R.F. Johnson:** I am told that that is very likely to happen. Notwithstanding that, surely we as a Parliament have a much bigger obligation to the people of Western Australia, particularly those people who are victims of domestic violence and are being killed.

**Dr A.D. BUTI:** That is exactly right, member for Hillarys.

It is interesting that, today, in answer to a question from the Leader of the Opposition about a motion to suspend standing orders next week to debate the National Party's quest to have two extra members, the Premier replied that that had not been discussed by the Liberal Party. I assume that the Liberal Party is not supportive, but the Premier's response was that that is the National Party's view. The Leader of the National Party, the member for Pilbara, is a cabinet minister. He cannot come into the chamber and introduce private members' bills. Technically, he probably can, but that is not the way government works. I would like the Premier, the Treasurer or anyone else on the other side to tell me when cabinet ministers have come into this, or any other parliamentary chamber in Australia, and introduced private members' bills that have not been endorsed by cabinet. It is quite amazing that National Party ministers believe that they can enjoy the benefits of being ministers but do not have to show the discipline to be ministers.

**Mr J.E. McGrath** interjected.

**Dr A.D. BUTI:** I wonder how the member for South Perth and some of his colleagues, such as the member for Belmont, can stand by and allow the ill-disciplined and selfish approach of National Party cabinet ministers to continue.

**Mrs G.J. Godfrey:** I haven't got five degrees, like you, so are you asking me my opinion on that?

**Dr A.D. BUTI:** The member for Belmont does not need to have any degrees at all to know that that is surely not right. I think she knows deep down that it is not right. At this stage, as the Premier said, the Liberal Party could govern in its own right, although traditionally it has not done that. There are three members on the other side who could be ministers, who would not be introducing private members' bills that have not gone through the party room or the cabinet process.

**Mr R.F. Johnson:** Absolutely.

**Dr A.D. BUTI:** It is absolutely disgraceful. I do not know why the Premier does not call it out.

**Mr D.J. Kelly:** Because he's weak.

**Dr A.D. BUTI:** That may be the reason, member for Bassendean. I do not know why the Treasurer does not call it out.

**Mr R.F. Johnson:** Where do the Liberals in the upper house think they are coming from? We know who is leading them—Hon Peter Collier—but where are they coming from when —

*Point of Order*

**Dr M.D. NAHAN:** I think the member for Armadale has the floor, not the member for Hillarys. He is going on and on and on.

**Mr R.F. Johnson** interjected.

**The ACTING SPEAKER (Ms J.M. Freeman):** Member for Hillarys, the Treasurer is on his feet. I gather that was a point of order, Treasurer, but I do not think it falls within the standing orders.

*Debate Resumed*

[Member's time extended.]

**Dr A.D. BUTI:** Let us move on now to the reason that we have this bill before the house. It is due to the economic mismanagement of this government. It motivated me to write a little paper. I am more than willing to give this paper to the Treasurer afterwards.

**Dr M.D. Nahan:** I already have it.

**Dr A.D. BUTI:** You already have it? That is great.

**Dr M.D. Nahan:** You write well. I don't agree with you, but you write well.

**Dr A.D. BUTI:** Thank you for that compliment; I really appreciate it. I will read out some parts of this paper, if I may. It is titled "Western Australian Economy: Where Did All The Money Go?" It is unusual for me to read verbatim from a paper, but as I wrote the paper, I feel that I can read from it. I would love to be able to table it, but I know that I cannot do so.

**Mr R.F. Johnson:** You could seek leave to table it for the rest of this day's sitting.

**Dr A.D. BUTI:** Could I now? That might be a bit of an ego trip, so I had better not. The paper reads —

It was inevitable that one of the greatest mining booms this state has ever seen would end. A competent state government would have foreseen that and prepared for such a situation. But, the Liberal National state government ...

This is not in the paper, but I point out that it is a Liberal–National state government. It is a coalition; it is not an alliance. The government might use the word "alliance", but it is a coalition, and it is about time the major party of that coalition held the minor party to account, but it does not.

**Mr J.E. McGrath:** If it was a coalition, we'd share the party room, but we don't. We have separate rooms.

**Dr A.D. BUTI:** But the government is a coalition, and so is the cabinet. I know I am moving away from the paper here, but I cannot help it. We do not have a situation in which people can be cabinet ministers one minute and not cabinet ministers the next, but that in effect is what is happening. The whole issue of cabinet solidarity is that all members of the cabinet agree with the cabinet's position. That is why cabinet ministers resign on matters of principle, because they cannot bring themselves to agree with the cabinet.

**Mr R.F. Johnson** interjected.

**Dr A.D. BUTI:** That is right. The paper continues —

And so, when the predictable end arrived, they had not planned for it. Now it wants the people to shoulder the load of the \$4 billion dollar budget deficit with which, in its incompetence, it has burdened them.

The West Australian Senator and Federal Minister for Employment, the Hon Michaelia Cash recently asserted that, "the Western Australian economy is a transitioning economy. We have gone from that intensive investment in the mining construction phase and we are easing into a diversified economy and you see more jobs created in the retail and services sectors."

But, we are not seeing more jobs created overall. On the contrary, Dr Andrew Charlton, former economics advisor to Prime Minister Kevin Rudd, recently told the ABC, "Western Australia is going backwards very significantly and has conditions that you would describe at a state level as being consistent with a deep recession." A seasonally adjusted unemployment rate of 6.3% paints a broad picture of the inevitable human cost of that deep recession. Too often though, the personal human costs are hidden.

No one can explain away this decline by describing the West Australian economy as "transitioning," as Senator Cash tried to do. A transition from one economic "phase" to another phase does not happen without there being an agent of change. And, the agent of change must have a plan. The Liberal National State Government did not and does not have one. Without a plan, we do not have transition; we have collapse.

Without developing a plan, the state government squandered a decade of rising commodity prices, fuelled by strong resources demand from Asia. When it should have been planning, it missed the wealth that twenty-four quarters of unprecedented economic growth gifted it. It sat on its hands, complacent, as it watched employment, business investment and population grow, never to end, or so it thought. When it did end, the government realised in dismay, that 6.3% of its workforce had no job.

What is more, when one describes the money we owe as government debt; it conceals the fact that economic prudence is not an end in itself. Economic prudence is a means to an end. It means having money, which good government needs to create a just and stable community in which every person can reach their full potential. That is the end to which the Labor Party aspires. In contrast, the Liberal National State Government has been on an imprudent spending spree.

It might want to talk about its commitment to infrastructure since it came to office in 2008 and yes it has completed some important new constructions. But, infrastructure is not defined just by the physical presence of the structure. It includes too the facilities and systems that ensure efficient functioning. The litany of structural and operational problems that have plagued the new Perth Children's Hospital and the Fiona Stanley Hospital are testament to complacency, which has led to delays and budget overruns. Combine this with a plethora of broken promises and backtracked election commitments and it is little wonder that the electorate has lost confidence in its government.

As previously noted the WA economy is not "transitioning"; rather our state economy is free falling. Moreover, we are not "easing into a diversified economy" where job creation in the retail and service sectors will replace those of the mining construction boom. Job creation in these sectors very much depends upon enduring employment in the traditional pillars of the West Australian economy — mining and housing construction, which stimulates consumer demand for goods and services. To di —

**The ACTING SPEAKER (Ms J.M. Freeman):** Diversify.

**Dr A.D. BUTI:** Yes, diversify.

**Mr D.J. Kelly:** Are you sure you wrote that?

**Dr A.D. BUTI:** It is easier to write than to say! The paper continues —

To diversify the economy, there needs to be a plan to do so; this government does not have such a plan.

The escalating human costs of this avoidable disaster are increasingly evident, in employment, wages and income, and housing. This includes new home construction, homeowner lending, and owner occupied approvals (as opposed to investment lending). These are the sectors that show the very human face of any downturn, and these same indicators; already at the lowest levels on record, continue to fall.

Let us look at some of the statistics, which bear out how the government has failed. The paper continues —

#### **Employment**

In July 2016, WA's seasonally adjusted jobless rate rose to 6.3%, the second highest among all States and Territories ...

...

The number of full-time jobs in the state has now fallen for 19 consecutive months.

**Mr D.J. Kelly:** Twenty months.

**Dr A.D. BUTI:** It would be 20 months, yes. The paper continues —

At the end of the March 2016 quarter 12.4% of West Australians were working less than the hours they wanted or needed ... This is more than double the rate of 5.6% a decade previously.

...

#### **Wages, income, and earnings**

As one would expect, deteriorating employment leads to slowing wages growth (for example at a rate below inflation). At its worst, wages fall. In Western Australia, wages have been falling overall since 2014 ...

...

#### **Construction (including housing)**

On the 24th of August, the Australian Bureau of Statistics (ABS) released national and state data on the value of construction work done for the June quarter of 2016. Across Australia, there was a seasonally-adjusted 3.7% fall in total construction activity over the quarter ... But look at what is driving this national decline. In that same quarter, Western Australia suffered a huge \$2.3 billion (23%) drop in total industry and home construction activity. It will get worse, with the winding up of the two largest resource projects — Gorgon and Wheatstone LNG.

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Housing construction has fallen, and continues to fall, sharply. The number of new home approvals in June 2016 were 32% lower than June 2015. More alarming, first homeowner grant applications, already at their lowest levels in a decade, were 54% lower in June 2016 ...

Those are some pretty startling figures.

**Dr M.D. Nahan:** Yes, the applications have slowed, but in the 2015–16 year, there were record housing starts—almost 30 000 housing starts per year. After that, you'd expect applications to slow, particularly with population growth.

**Dr A.D. BUTI:** I take the Treasurer's point that there has been a great rise, so if there is a drop, it is going to be a faster drop, but that is a problem.

**Dr M.D. Nahan:** I recognise this. It's a statement of fact, but if you go to the high of those peaks, they cannot continue at that level.

**Dr A.D. BUTI:** Yes. The paper continues —

In 2014, Western Australia's economy performed better than any other state —

Which I think goes to the point the Treasurer made —

or territory in Australia.

**Dr M.D. Nahan:** It did for 10 years prior to that, too.

**Dr A.D. BUTI:** This is my point. My critique is that the government has not planned for the inevitable end to that; that is my critique. The paper continues —

According to the *July 2014 CommSec State & Territory Economic Performance Report*, a quarterly report which measures economic performance through analysis of eight key indicators, Western Australia lead the way on retail trade and housing finance and placed second on economic growth and construction work. The state was also ranked third on business investment, population growth, and dwelling starts.

Less than two years later, Western Australia's economy is now the second worst performing in Australia. Only Tasmania is doing worse ... Our State is not only contracting but —

I would argue —

is in a recession.

The only indicator that looks good is the gross value of WA's iron ore exports to both the Gross State Product (GSP) of Western Australia and that of the Gross Domestic Product (GDP) of the nation.

But, GSP is not the ideal measure of what is happening to West Australians at the coalfaces of work and housing. The employment and wealth generating stages of the mining construction boom have faded and the price per tonne of iron ore languishes around 30% of its 2012 peak. What is more, the benefits from the extraction of ore and its export to China flow through to the Commonwealth, through corporate tax, income tax and other Commonwealth receipts. Although Western Australia directly benefits from royalties levied on the mining of our state's natural resources, royalties decrease as the price obtained per tonne drops.

Hence State Final Demand (SFD), a measure of all WA production, wages, income, sales of goods and so on but excluding exports, is —

Arguably —

a better indicator of growth or recession.

If one looks at state final demand since the second quarter of 2013, it has gone negative, and that is a real worry. The paper continues —

It is unavoidable and in fact, irresponsible to claim that WA is anything but mired in a deep recession, that has not yet bottomed out. It may get far worse before turning.

I will give the Treasurer this; obviously, as a Treasurer, one has to be careful what one says to not make a bad situation even worse, but I think reality is also necessary and we cannot gloss over what has happened and the reasons that things have happened. The paper continues —

Of course, Western Australia is a mining state and, it would be churlish to suggest the state government should be held responsible for the forces of supply and demand that have ended the mining construction boom. But —

And this is to the nub of my argument —

it must be held responsible for incompetence, bordering on negligence, for failing to acknowledge a boom built upon fixed asset construction has a beginning and an end; and for failing to plan for it.

It has failed to produce prudent forecasts of Chinese demand for ore. It has not considered adequately the key determinants of demand. These include the level and growth rate of China's urbanisation, projected make up and growth of GDP, the ratio of services to construction and manufacturing. A responsible administration would have done so, and planned cautiously.

The state government has the full resources of the West Australian Treasury at its disposal to help it with planning. Yet, it has either failed to acknowledge, or not understood, the risks associated with pinning the state's future on a single commodity exported to a single market. Also, the Liberal National government has failed to acknowledge that at stake was the welfare of its 2.6 million citizens.

The issue with the 2014 state budget was that the government was predicating an iron ore price of \$122.70 a tonne.

It predicted only marginal falls, with the price settling in the forward estimates to 2017–18. Based on this illusion, royalty income would continue to grow, and the party would go on and on.

Reality dawned just six months later when the same government released the Mid-Year Financial Projections Statements. This revealed a \$1.6 billion downgrade in budget revenues in 2014–15, and an unprecedented \$5 billion downgrade over the forward estimates period (2014–15 to 2017–18).

...

Overall, these data show that the state government has failed to prepare Western Australia adequately for the challenges of life after the boom. But, this negligence in not planning for even the slightest 'downturn' is just part of this travesty of economic judgment.

Even more astounding has been the government's complete failure to manage its own finances. Either so entirely deluded, or completely incapable of asking itself "what if", there was never any chance of drafting a Plan B to constrain runaway spending if and only if the worst case scenario became reality. After all, no-one likes a party pooper.

Because we have had that lack of planning, I suppose plan B is what we have before the house now—the Loan Bill. Continuing —

The Barnett Government's unsustainable spending has brought net state debt to an estimated \$33.8 billion this financial year. Or put in terms more meaningful to all West Australians at the coalface, a debt of \$13,000 for every man, woman and child in this state. But this travesty does not end at \$33.8 billion. By 2018–19—only 24 months away—net debt will have risen to \$40 billion.

The state government refuses to own up to its incompetent economic management and poor long-term planning. Instead, it tries to shift the blame to Western Australia's reduced share of the GST —

As I think everyone does, I acknowledge that that is an issue —

and falling commodity prices for the state's appalling financial position. Treasurer Mike Nahan tried to explain this year's depressing state budget with a ... comment reported in *WA Today*. "I'm not blaming anyone, but our source of revenue across the board, including a drop in GST and iron ore has seen revenue drop by 22%. Tell me how would you deal with that?"

It is up to the Treasurer to tell us how he would deal with that. Further —

The answer to that, surely, must be that a competent government does not wait until the inevitable happens before it addresses the problem. You plan for it. You adjust your spending commitments.

A competent government does not do the easy thing by coming back to the house and trying to introduce a loan bill. Time is running out and I will not have time —

**Mr D.J. Kelly:** Sadly!

**Dr A.D. BUTI:** Sadly, time is running out because it is such a riveting paper and I know that everyone is really interested in listening to it. In the first half of the paper, I think I really pointed out my thesis and I think the data reflects that this government has not planned for the inevitable end to the boom. As the Treasurer said, when things are going up quickly, they will not continue to go up quickly. There will be a downturn. The government had the responsibility to plan for that downturn. The data does not show, and I have not seen any policies that show, that the government planned for that downturn. It has planned for this Loan Bill. I know that the Treasurer—a man with a PhD—would realise that it is not the most appropriate way to try to deal with the

situation we find ourselves in. The paper includes a quote from shadow Treasurer, Ben Wyatt, regarding the Treasurer's rhetorical question. This is the shadow Treasurer's response —

“The Liberal Party has delivered us into this financial mess, not the federal government, not the Commonwealth Grants Commission, not America, not China; it has been the Liberal government”.

The shadow Treasurer follows that comment with this damning indictment of the state government's spending —

The state government, he said, was guilty of “operating on the assumption that the commodity prices were going to stick around at record high levels for a lot longer than anybody thought”.

The paper also includes a comment made by the member for Willagee, but I may run out of time. That would be a shame because it is a very good quote. Peter Tinley states —

“The state now has the worst set of books it has ever seen and the worst set of finances of any Australian jurisdiction ever in the history of this country. We also have the highest level of gross and recurrent debt and the deficit is running at an inordinate \$3 billion-plus. That cannot be sustained by this government and, on the current estimates, certainly cannot be repaid, at least not by the next generation”.

If this Loan Bill is not passed, the government will shut down. The Treasurer knows that we cannot contemplate that, obviously, but we should not be in this mess. Proper planning of the inevitable downturn would have ensured that this did not happen.

**MR D.J. KELLY (Bassendean)** [3.37 pm]: I rise to make a contribution on the Loan Bill 2016. Where can I start, really? This government and this Treasurer have brought a bill to the house to allow the government to borrow another \$1.7 billion to simply pay wages. If Parliament does not pass this bill in 45 days, government in Western Australia will shut down. What an appalling circumstance we find ourselves in. For a government that has been in office for eight years during a period of unprecedented growth and wealth, where do we find ourselves? We find ourselves in a position in which the state government has squandered the benefits of the mining boom that we experienced in Western Australia. It is even worse that the government has no plan to deal with this situation, other than to borrow more money. Why does the government have no plan? It is because the government is dysfunctional. Why do I say that? We have had a lot of discussion about whether there is a Liberal–National coalition, an alliance government or whatever we call it; I do not really care whether we call it an alliance or a coalition. What troubles me is that the government does not have a cabinet that can sit around the table, have a reasonable discussion about the state of Western Australia's economy and finances, and come up with decisions about what to do about them.

At one end of the table sits the Liberal Party and the cabinet ministers who are all fighting amongst themselves. There is the Premier who is desperate to keep his job because his pride does not allow him to leave the job and then there is a bunch of other cabinet ministers who believe they should be in the Premier's position and who are fighting with the Premier. Amongst that lot is the Treasurer, who despite his many failings, the obvious of which is this Loan Bill, and who the rest of the party knows is absolutely unelectable as Premier, believes he is entitled to be Premier. He wants to be Premier. Then there is the Minister for Transport, who despite all evidence—I wonder whether the member for Bateman would agree with me on this—has a grossly inflated view of his own ability yet for some reason he thinks he is the natural heir to the Premier. He is out there scurrying around trying to make the case to be Premier. Then there is the member for Jandakot who despite all rhyme and reason thinks he is the candidate for the job. Those three Liberal Party cabinet ministers are all hovering around waiting for the Premier to fall on his sword. Then we have the Deputy Premier, the member for Scarborough, who surprisingly seems quite happy when she is in the chamber. She quite often has a smile on her face and given the state of the government, I wonder why. I think the reason the Deputy Premier is so happy is she believes that every day the Premier has a bad day she is one day closer to being installed by the Premier as his successor. The Deputy Premier likes it when the Premier has a bad day because she knows that if the Premier falls, she is the Premier's pick to replace him. She also knows that being installed as the Premier by the Premier when he falls on his sword is her only chance of becoming Premier, because there is no chance after the election that the boys club in the Liberal Party will ever install her. At least four Liberal cabinet members are all hovering around waiting for the Premier to fall on his sword. No wonder Liberal ministers cannot sit around the cabinet table and have a civil conversation about the state of the Western Australian economy and what should be done about it, because they are all fighting amongst themselves.

As well as Liberal Party cabinet members fighting amongst themselves, at the other end of the table National Party members are fighting amongst themselves. The member for Pilbara, against all credible evidence, has great faith in his own ability and is running his own show. Then there is the member for Warren–Blackwood, the man he deposed, sitting in the background, seething. The National Party, in disarray, has come out with an economic plan

that is really just a plan to tax the mining industry, and is completely at odds, apparently, with the economic views of the Liberal Party. In a cabinet of only 17 people there are at least five Liberals who want to be Premier and a whole bunch of Nationals, three of whom the Liberal despise. Is it any wonder that the Western Australian economy is in the state it is in? Whether it is called an alliance or a coalition, the cabinet is completely incapable of sitting down and coming up with a plan to get the state's economy back on the rails. That is what really worries me. Not only is the state of the books, the economy and the unemployment rate in terrible shape, but also the cabinet is completely dysfunctional. So many of them want the top job but they cannot bear to sit in a room with each other and make a decision. Every time a contentious issue arises, the Nationals just walk out, apparently under the agreement that they have that allows them to step out of the cabinet process.

[Quorum formed.]

**Mr D.J. KELLY:** I was going through my concern that not only is the budget in a state of disarray, but also the cabinet is incapable of sitting in the same room to come up with a plan. Four or five Liberal ministers are fighting amongst themselves to get the Premier's job. National Party members are like rats deserting a sinking ship and they are plotting their own course. After eight years of enjoying the benefits of being in government, their plan is to run away and distance themselves from the government and to try to pretend that they had nothing to do with creating the circumstances we find ourselves in. Whether it is called an alliance or a coalition, what really concerns me is that we do not have a cabinet with ministers who can sit around the table, make decisions and come up with a plan. This government is wracked by cabinet ministers who basically have deserted the Premier. What does that say about the Premier? It shows how weak his position is. In any other government in any Westminster system around the world, confronted with this situation, the Premier at the very least would have sacked the Minister for Transport and sacked the three members of the National Party in the cabinet. He has not done that, not because he does not want to but because he knows that would be a further demonstration of how dysfunctional this government is.

**Mrs G.J. Godfrey:** Who challenged Eric Ripper?

**Mr D.J. KELLY:** What did you say, member for Belmont?

**Mr P.T. Miles** interjected.

**Mr D.J. KELLY:** I asked the member for Belmont what she said.

**Mrs G.J. Godfrey:** I asked who challenged Eric Ripper?

**Mr D.J. KELLY:** Where is Wally? I do not know what the member is talking about. I do not understand the relevance of the interjection.

The Premier's weakness is demonstrated by the fact that he did not sack the transport minister and he has not sacked National Party members from the cabinet for their disloyalty. He cannot do that because he knows it would be a further indication of disarray in the government; instead, he sticks his head in the sand.

*Point of Order*

**Mr P.T. MILES:** I refer to the relevance of the debate. The member for Bassendean is not even referring to the Loan Bill 2016. He is talking about party politics.

**The ACTING SPEAKER (Mr N.W. Morton):** Thank you, member. This is the second reading debate, which allows quite a broad discussion, but the member has a point: the member still needs to be relevant to the bill before the house.

*Debate Resumed*

**Mr D.J. KELLY:** With respect, if the member for Wanneroo had been listening to my speech, he would have understood that my point is that the perilous state of the finances, as demonstrated by this Loan Bill, is a direct result of the dysfunctional cabinet in Western Australia. If cabinet could actually work—sit down in the same room, make decisions and come up with a plan—we may not be in a position of the government coming in here on a regular basis to ask to borrow so much money. Member for Wanneroo, the government cannot have a plan if it does not have a cabinet that can sit down and make a decision.

One could point to countless projects that demonstrate how appallingly this government has managed the finances. I will mention a couple. Just last week the Auditor General issued a report on the Ord River scheme. Half a billion dollars of taxpayers' money was spent on that scheme, and the Auditor General said that there was no business plan to justify that level of expenditure. The response from members opposite was that there were great benefits to the state. The Auditor General also said in his report that the social benefits from that project were not apparent; they simply were not there. I do not understand why government members are not ashamed of the way in which they have administered that project. People in regional areas want economic growth,

development and government support, but they also want that money spent efficiently and properly. They do not want that money wasted —

**Mr V.A. Catania** interjected.

**The ACTING SPEAKER:** Member for North West Central!

**Mr D.J. KELLY:** I think that the member for North West Central was a member of the government when that project started.

**The ACTING SPEAKER:** Member, through the Chair, please. Otherwise, debate will descend into interjections across the chamber.

**Mr D.J. KELLY:** People in regional areas want government expenditure on programs and development, but they want that money spent efficiently, as does anyone else. People in regional areas do not say, “Yes, we want government spending. We don’t care how the money is spent, just as long as it’s spent. We are happy if it’s just spent somewhere.” That is not what they say. They want to see things achieved. They do not want the money spent willy-nilly. The Auditor General’s report on the Ord River scheme is damning—this is not coming from the Labor Party. No business case was made prior to that money being spent. Members opposite were elected in 2008 and the Auditor General said there was an attitude of, “Let’s just get on with it”. There was no planning and no business case. The government just spent half a billion dollars of taxpayer’s money because it thought it was a good idea. It is an absolute disgrace. Every time not enough money is spent on hospitals, schools or roads in regional areas, we can point to the half-billion dollars spent on the Ord River scheme that could have been more suitably and productively spent on those projects. The former Leader of the National Party, in defence of that scheme, said when he got a briefing from the Auditor General, “I asked the Auditor General: is it the case that there were no social benefits or is it the case that we just have not measured them so we do not know that they are there?” He claims that the Auditor General said that the benefits may have been there, but they were just not measured. I find it extraordinary that the former Leader of the National Party took comfort from the statement. The Auditor General said it is not that the benefits were not there; it is just that we could not see and prove that they were there. That is an extraordinary thing from which to take comfort.

[Member’s time extended.]

**Mr D.J. KELLY:** The National Party and the Treasurer are hoping that there might have been benefits from that allocation of a half-billion dollars of taxpayers’ money. They cannot prove that they are there or point to them, but they just might be there. That project is staggering in its scale—a half-billion dollars has been spent on it—but it is just one of the examples of how poorly this government goes about doing its business. The other project that jumps out at us is the Perth Freight Link—the \$2 billion road to nowhere. It was not in last year’s state budget. It was dreamt up on the back of an envelope by federal members of the Liberal Party, and now it is a project the government is completely wedded to, even though, after spending \$2 billion, the link will not actually get to the port of Fremantle. The small matter of how the link gets from the opposite side of the river into the port is something that has been glossed over and the government will work that out X number of dollars later. That is just another example of how badly this government goes about its business, and why we are back here in Parliament with a bill from this Treasurer to enable him to borrow an extra \$1.7 billion.

I now will talk about a couple of other areas in which this government is also failing in its capital expenditure. Part of the NorthLink WA project that upgrades or widens Tonkin Highway between Guildford Road and Reid Highway has been started. I think it has cost over \$1 billion, but the planning and consultation with the local community on that project has been sadly lacking. Although one of the schools is technically in the electorate of Morley, most of the students at that school actually come from my electorate of Bassendean. That school was completely ignored in the planning of the NorthLink project. An underpass goes under Tonkin Highway and allows parents to park their cars in a carpark on the eastern side of Tonkin Highway before taking a short walk through the underpass to get to the school on the other side. In the original planning of the NorthLink project, that underpass was going to disappear altogether. How ridiculous! All those students were expected to be driven along Morley Drive and across Tonkin Highway to get to the school. The community was outraged. Channel Nine and a few other media outlets went down there, and, after some negotiations, we got a commitment from the government that the underpass will stay. However, the Minister for Transport has refused to budge from removing the 80-bay car park on the eastern side of Tonkin Highway. As I said, originally the underpass was going to go. We have now got that back, but the 80-bay car park will go. Originally there was going to be no car bays on that side. The Minister for Transport then said there would be 12, and then he said there would be 20. That is what they have done: a new car park with 20 bays has been built. How the minister thinks parents are going to utilise a 20-bay car park in lieu of an 80-bay car park, I do not know. I have written to the minister a couple of times on this issue, with no satisfactory response. I raised the issue during, I think, the budget debate. The Minister for Transport was in the chamber at the time and claimed he had not got any letters from me or had not seen them. The next day there were calls to my electorate office trying to get copies of my

letters, and so those letters were provided, but I still have not got a response from the Minister for Transport on this issue. As well as the car park issue associated with the NorthLink WA project, very close to where that car park was is a street called Abbey Street, which was used by residents to access Morley Drive. Abbey Street has now become a cul-de-sac, so to access Morley Drive residents now have to use Hamersley Avenue and then turn right onto Beechboro Road and right again into Morley Drive. As members can imagine, that is very difficult in peak hour; in fact, it is dangerous—it is an accident waiting to happen. I have raised that issue on several occasions with the Minister for Transport. I have tabled in this house a petition with almost 300 signatures calling on the government to reopen Abbey Street or to find some other solution to allow those residents to get out of their suburb and access Morley Drive, and eventually Tonkin Highway, safely. Again, I have had no response at all from the Minister for Transport. This is a \$1 billion project that was planned with no regard whatsoever for Hampton Park Primary School and absolutely no regard for people who live in streets such as Abbey Street, Hamersley Avenue or Ivanhoe Street. No regard has been given to how those residents will access Morley Drive and ultimately Tonkin Highway. As a result, the government has created a very unsafe circumstance. I am talking about safety, and I remember that I may have raised this issue during the budget debate, but I also raised it either last week or the week before in debate on the road safety bill. It seemed to me that it was fine for the government to pass legislation supposedly to make our roads safer, but if it is spending \$1 billion on a project such as the NorthLink project and effectively is creating an accident waiting to happen, it is wasting that money. It is not delivering the project in the way the community would expect.

I also raise another project that the government is pursuing in my electorate. In a fashion, through the WA Planning Commission, the government is currently seeking to rezone some land from public open space to residential. This land is adjacent to Kiara College, which used to be Lockridge Senior High School. That land is currently used by Kiara College to operate its farm school. Kiara College is one of only two high schools in the metropolitan area that have a farm school program. It is very successful and the school regularly wins prizes at the Perth Royal Show. It is a very well regarded program run by Kiara College. The college only has a lease arrangement with the WAPC on the land. For years the college has been asking that the government transfer the land from the WAPC to the education department so it has security of tenure and it can plan. It cannot plan and engage with industry if it does not have certainty that it will be able to operate in the future. This issue came to a head for two reasons. First, the government decided to build a disability justice centre on part of that land, which was a terrible idea. Second, it decided to rezone all the land as residential and only offer the school three hectares to operate the farm school on a continuing lease arrangement. Locating a disability justice centre next to a high school is a stupid decision and beyond belief. Thankfully, the government has now backed down on that decision, but the proposal to rezone all that land to residential still remains. The school has since been negotiating with the government and I understand that it has now been offered eight hectares of land instead of three hectares. But the school really needs a minimum of 12 hectares of land if that farm school is to operate, and it needs the land to be permanently transferred to the education department and not on a lease arrangement so that the school can get on and plan what it does into the future, knowing it has security of tenure. The Premier is even on record as saying that he thought that the land had been transferred to the school. Successive education ministers have made positive statements about giving Kiara College security of tenure, but it has never been done. I urge the government to give the school the security of tenure over the land it needs, which is 12 hectares, so it can develop a very successful farm program. It is unique in the metropolitan area in that the land is immediately adjacent to the school, and it is one of only two schools to have a program at all. The government should give Kiara College the certainty it needs to get on and manage its farm school program.

**MS L.L. BAKER (Maylands)** [4.08 pm]: I rise to speak on the Loan Bill 2016. While my phone screen is still fixed on it, I want to refer to something I found when I was reading the “Perth and Peel Green Growth Plan for 3.5 million” released by the government, and that I think is a good context to start my contribution to the debate on the Loan Bill. The Perth and Peel Green Growth Plan states that the Carter’s and Skippers Row wetlands in Bayswater, which are currently the subject of a lot of debate and some very contentious decisions, are part of the three per cent of the Swan coastal plain remnant bushland that is not protected as a conservation reserve in the government’s Perth and Peel Green Growth Plan. That was probably the start of the problem. If these wetlands were protected, I would not be making yet another contribution to the house about the state of these wetlands and the fragile position we find ourselves in trying to protect them. I want to start by again thanking the generous support of No Houses in Wetlands and the crew that volunteers tirelessly to protect the urban wetlands in the city, and that is particularly interested in protecting the wetlands around the Bayswater and Maylands area. Recently in this house I raised the prospect that when the WA Planning Commission made decisions about granting subdivision rights and clearing rights to application 152768, which is commonly referred to as the Skippers Row development and the Carter’s block development, to approve residential subdivision of those two wetlands, it was acting on flawed information, misinformation and incorrect information. That is evidenced by some of the documentation that has been released under freedom of information. I want to go through the key issues that have come to light. I assume

the WA Planning Commission, and I hope the minister or minister's office, will at least read my speech in *Hansard* on this subject and get some guidance about what the community has uncovered.

The first issue is the environmental report that the owners of the land submitted in support of their subdivision. I quoted the number earlier. I want to talk about this in the context of the environmental report prepared by 360 Environmental on 9 July 2015. That was done specifically to support the subdivision application at lots 6–10 Leake Street. It is despite the fact that the report by 360 Environmental was purposely restricted to investigate a grassed area—not the wetlands—owned by one of the proponents of this application. It was submitted to the WA Planning Commission in support of a joint application across lots 6, 7, 8, 9, 10 and 14. Members can immediately see the problem: if we have an environmental report commissioned by the owners in support of their application, that is all fine, but it only really looked at the grassland in this wetlands. It is the only environmental report, as far as I can tell—I would be happy to be dissuaded or persuaded otherwise—supplied in support of this application to the WA Planning Commission in order for it to make a determination on the subdivision. I find that extraordinary and deeply concerning. The 360 Environmental report advised that the sum total of vegetation destruction on that block would be the removal of and/or pruning of several native trees and shrubs. That sounds deceptively simple really—the removal or pruning of several trees and shrubs. I challenge anybody who goes out to the wetlands to have a look at what has been done and compare that recommendation with what has happened on the ground. It is a stark contrast to the preliminary site works done on 12 and 13 July that have destroyed up to 50 mature trees, including trees in the wetland. That 360 report was not expected to address the impact on flora and fauna in the adjacent wetland, Carter's wetland, and the 360 Environmental report bears no resemblance to the expert reports received about the site. I will talk a little about them in a minute. The sum total of environmental impact referred to in the proponent's report states —

... native *Melaleuca* species along the north-western boundary and one or two introduced ... trees along the southern boundary. The proposed development may necessitate removal and/or pruning of several native trees and shrubs. The vast majority of the site consisted of introduced grasses.

That is probably quite right considering they only looked at the grassed area, not the wetlands. The report did not identify the impact of the development on protected species under the Wildlife Conservation Act 1950 in Carter's wetland; for instance, the rainbow bee-eater. Perhaps as a consequence, there were no conditions in the WA Planning Commission approval related to flora or fauna or the taking of flora and fauna on that site on 12 and 13 of July when the bulldozers moved in.

Of greater concern is a serious oversight that the application did not correctly describe the environmental destruction that would occur on that site as a result of the work. That is completely contradictory advice to the advice the Department of Parks and Wildlife gave to the City of Bayswater earlier when this application was being discussed. Based on the Department of Parks and Wildlife advice received directly about the Skippers Row development in Bayswater, the City of Bayswater recommended against the development. The City of Bayswater took on the advice from the Department of Parks and Wildlife, rivers and estuarine division, dated 1 October 2015, when it expressed serious reservations about the subdivision proposed in relation to its impact on the Eric Singleton Bird Sanctuary. I find it extremely concerning that this same department representing the Western Australian community and taxpayers went on to advise the Planning Commission that it then had no objection to the development, but made not one reference to the flora and fauna in the wetlands.

If that is not enough to make the Minister for Environment sit up and take notice and the Minister for Planning to consider what work she can do to solve this problem, I do not know what is. But let me go on. The third issue is in fact the geo-survey report conducted on the Carter-owned land, subject to application way back in 2010. That recorded high levels of asbestos on the site. I will read directly from that report and tell members what that report states. This report went to councillors at the City of Bayswater on 21 September 2010. It was to help them consider whether the City of Bayswater was intending to buy that land. It states, in part —

The selling agent also advised that since the July report —

That is, the July 2010 report to council —

there have been two interested parties ...

The first prospective purchaser spent some money to develop a geotechnical report, and since that report was completed, elected to not proceed with the offer.

The council was advised that the geotech reports on the site revealed —

- (a) the site has a high level of Dieldrin;
- (b) the site has a high level of asbestos; and
- (c) the site has acidic soil.

We have also been advised that the remediation process would take up to three years —  
That is the reason the purchaser withdrew their offer.

I want to make quite sure that is in *Hansard*, because that is information that came from an FOI from the City of Bayswater in relation to all its considerations about purchasing this land. Indeed, that is pretty clearly one of the reasons it would not have purchased it back then, because of what was being pointed to as contamination on that land.

I should also just talk about the fact that the site is currently—well, we thought it was—being investigated by the Department of Environmental Protection, because a “form 1”, as it is known, was lodged back on 29 July. I am only initiated fairly recently into this language. Any member of the public can lodge a form 1, which is used when somebody suspects that a site is contaminated, to the Department of Environment Regulation. When a person is told by a government department that a form can be lodged about a suspicious site that may be contaminated, one could be forgiven for thinking that something might happen! Why encourage the public to lodge a form if nothing happens? There is no process related to lodging this form. It seems, though, that that is exactly what happened. I want to go on in a bit of detail. The person who lodged the form has spoken to the department several times trying to work out what has happened to the form 1 that was lodged on 29 July.

On or about 1 August 2016, the Department of Environment Regulation requested the City of Bayswater supply a copy of the 2010 geotechnical survey report. That is the one that I just read out. The contents in *Hansard* were taken from that report. That request was made by the Department of Environment Regulation to the City of Bayswater. So far, the department has received nothing. The first of August was more than a month ago. The Department of Environment Regulation tells us that is the case because the original report was not commissioned by the owner of the land; it was commissioned by somebody who thought they might want to buy the land. I get that; I understand that. People cannot wait two months for something to happen. The department should have done more to pursue this. Why does the department not insist upon receiving a copy of this report? I hope that some action can be taken to support the department in trying to get a copy of that report so it can see what the problem is with this contaminated site.

The words of the community in telling me about this are salient. An email states —

When putting in a Form 1, it is reasonable for a member of the public to assume that there will be an investigation of the site by DER. It is reasonable for a member of the public to assume that DER will determine whether or not the site is contaminated, through doing it’s own survey and sampling, or that DER would have the power to obtain the necessary documents ...

We have questioned many people in this whole debate around the Bayswater wetlands destruction. When we have questioned government employees about why there is such inaction around this, it is as though they are all singing from the same song sheet because they say, “We have no resources to do that. We have no money. We cannot, for instance, reassess the urban wetlands in the Swan River because we do not have the money to do that.” The Department of Environment Regulation is waiting for a report from somewhere about something, but it does not know if it will contain any information. If the department does not get a report, will it whiz out and do the sampling? No—it tells us it is not able to do any sampling. It is not able to do anything because it does not have the resources to do anything.

**Mr M.H. Taylor:** We need a Labor government!

**Ms L.L. BAKER:** If this Loan Bill passes, I hope it is the very first thing on the Treasurer’s agenda, compliments of the planning minister’s pursuit of this issue. It would be very, very beneficial if the Minister for Planning and the Minister for Environment simply stepped up to the plate and tried to get the resources to do something about this. If asbestos was indeed dumped on this land and the block is now being disturbed so significantly, I can tell members that the water that washes through that wetland is flowing directly into the Swan River. That cannot be good—along with the dieldrin that goes with it. Neither of those things can be good.

Let me go back to the issue I was talking about in relation to the geotechnical report. We know the department is not investigating whether the site is contaminated. It is trying to get some information to see if it can do anything, without any money. Everything suggests that none of the contamination was mentioned when subdivision plans were submitted. There does not appear to have been any disclosure that the site had high levels of asbestos. There does not appear to have been any disclosure that originally a report was done that showed dieldrin and asbestos contamination on that site. As we know, the pre-works were done. There is now about three metres of rubble on an urban wetland.

[Member’s time extended.]

**Ms L.L. BAKER:** That site was interfered with without any protective measures being taken. We understand from pollution experts that contamination is only a threat to a wetland functioning if that site is disturbed.

The final issue is the failure of this state government to do anything about planning laws and regulations that might in any way protect our coastal wetlands. As I started my presentation this afternoon, it is quite clear to me that the “Perth and Peel Green Growth Plan for 3.5 million” does not consider this particular wetland as part of its conservation area. That is deeply disturbing. It is a huge disappointment to my constituents. I can only imagine—no, I cannot; I should put it a different way. I cannot imagine what the Minister for Environment does about these kinds of issues. He sat here on three separate occasions and took absolutely no notice of the issues that were raised. I have taken particular time to focus only on the issues. I have not attacked the man, as the case is. It is time for the gloves to come off. How often has the member for Maylands raised these issues in this house and been completely ignored by a Minister for Environment who has no concept of protecting urban wetlands? Instead, the minister chooses to shout across the chamber at the shadow Minister for Environment. That is his choice; he can do that. He clearly does not want to take on these issues. He clearly is not interested in our coastal wetlands. For the disdain and flippancy with which he treats my community, I will read directly from a comment given to me —

It is extremely disappointing that the Minister for the Environment has been dealing with the communities concerns regarding protection of our wetlands so flippantly and with such disregard for the significant questions that the Bayswater wetlands issue raises with respect to the ability of his Departments to represent the interests of the wider community when it comes to our natural resources. Every person in every environment related Department working on this application, that we have spoken to, has said the same thing. We don’t have the resources to investigate. And the community doesn’t have the ability to appeal WAPC decisions. So where does this leave us in relation to protecting our environmental assets for the future in a City with rapidly increasing housing density?

It is clear that the only place children are ever going to see flora and fauna will be in the few remaining wetlands that have at least been covered as a conservation wetland, not the mid-level wetland that the Bayswater wetland has been classified as.

At this juncture I have had enough of the environment minister completely ignoring the community when it comes to this. I have had enough of coming into this house and discussing the Bayswater wetlands and the disastrous impact that this has had on the flora and fauna in Western Australia, particularly the flora and fauna along the Swan River and the many protected species on it. I have had enough of the ignorance and disdain with which the Minister for Environment continues to treat the urban wetlands and the people from my electorate who support it. I really hope that he continues to display his ignorance of all things to do with the environment in relation to this urban wetland because my community is on to him! My community is absolutely aware of the minister’s attitude and his inability to effect any kind of outcome for the urban wetlands in Bayswater. I will continue to speak in this house about this, and pursue the interests of my community. Quite frankly, not to do so would be to be as ignorant, disdainful and disrespectful to my community as the Minister for Environment has shown he can be. I have had enough of this ignorance. It is time for the Minister for Environment to get off his behind and do something about urban wetlands, particularly those in Bayswater. There are more wetlands than just those in Bayswater. There is the Beeliar wetland and the wetland at Hazelmere. We just have to turn on the news on any station during the week to hear someone speaking out about desecration and development going on in a wetland without appropriate checks and balances. How is it possible that the Western Australian Planning Commission was permitted to make a decision about bulldozing this wetland apparently without any kind of contemporary assessment of the environmental impact? How can this government allow that to happen? It is absolutely shameful.

I have just a few minutes left. This is the most important issue that has arisen in my electorate over the past eight weeks, which is why I have spent time describing the latest instalment of this debacle. Before I close, I would like to mention a couple of other issues. Firstly, there are several other wetlands in my electorate. One of them is Bardon Park, which is a bit further up the river. Bardon Park abuts one block owned by the City of Bayswater and two others owned by the Western Australian Planning Commission. Here again we see an obfuscation of responsibility. When I wrote to explain the weed infestation and the need for weed control in that area, I was told that the land is very dense and very wet, and to just kill the weeds on the WAPC land is not an effective solution, as the infestation will reappear. I was told that the WA Planning Commission has previously sought a joint approach with the City of Bayswater and the adjoining landowner without success, and the WAPC has reverted to a containment program on its land, with the aim of preventing further weed build-up from occurring. That is simply not good enough. It is simply shutting the door and saying, “We can’t do anything, just bring out the glyphosate”—or whatever is used to kill these infestations—and moving on.

Rather than admitting defeat, would it not be better to invest in building some community support, such as a friends of the riverbank group or a local community group that could be encouraged to get involved and do some work to manage the weeds? It has happened in other areas, such as the Baigup wetland in my electorate, which has done very well and has benefited from the work of the friends of Baigup, who have done a great job keeping the weeds down. They also tackle the infestation from animals that should not be there as well as flora

that should not be there, such as watsonia and blackberry. They do a fantastic job. I suspect that Bardon Park would do well to have a friends of Bardon Park group, supported by the riverbank guardians program, helping fund weed control and revegetation. The dollar that is invested in this goes a very long way, as we all know when we see friends groups in our communities. They do an amazing amount of work with a very small resource impost on the government. I will be encouraging the Minister for Planning to think very carefully about whether she can support a friends group to do some work in Bardon Park to manage the weed problems.

There are many other issues that I could raise in my electorate, but before my time runs out I want to mention the Maylands Peninsula Primary School. That school approached the Department of Education last year to let it know that the school numbers were going to be pretty high, and that the present layout of the school meant that small children would have to walk a very long way to get to the toilets. They are a long way across the campus. The Maylands Peninsula Primary School asked the department to investigate whether it could have two transportable toilet blocks to cater for the small children in the interim, while the school was dealing with these extra numbers. The school also put in for a couple of extra transportable classrooms because, as we all know, infrastructure spend by the government in the Maylands electorate has been restricted, and does not allow for that much development. I call on the Minister for Education to reconsider whether he can see his way clear to put transportable toilet blocks into the Maylands Peninsula Primary School, which would help the little kids immeasurably. It would mean that they do not have to go all the way across the school campus to find a bit of relief. They would have a much more accessible and safe place.

Before I sit down, I want to put in a very big ask for John Forrest Senior High School. This high school is probably the second oldest high school in the state now, and it really needs some help. There is asbestos on the property, and a number of investigations have been carried out. I think, at this stage of the game, the acting principal is using the school's own funds to try to solve the asbestos problem, because she has had no luck with the Department of Education. We have been rejected every time we have approached the department to talk about the asbestos. The other issue about John Forrest is that it is a specialist school for music but the performing arts centre is simply not there. It is a gymnasium, full of smelly socks and that lovely smell of 50 years of lots of kids doing gym in a gymnasium. It is not my idea of a performing arts centre. Down the road, Mount Lawley Senior High School—which is clearly not in my electorate; it is clearly in the Speaker's electorate; a Liberal Party electorate—has had much more spent on it, including a performing arts centre.

**Mrs G.J. Godfrey:** We haven't got one of those.

**Ms L.L. BAKER:** I am quite sure that the member for Belmont's electorate probably does not, but she is not on her feet at the moment; I am.

John Forrest, as a specialist school in music, really needs investment from the government in a performing arts centre. If that is put in the context of the structure plan for Morley, 10 000 additional individuals are expected to be residing in the Morley area, and the John Forrest catchment, within the next 10 years. If that happens, where are all these kids going to go to school? John Forrest will not have the capacity to take the extra children. Without basic infrastructure support, the school will not be able to keep its high academic standing, and keep producing extraordinary children, with extraordinary teachers and an extraordinary administration group. We need to see some tender loving care for an old school, and some respect for the children who go to the school and take advantage of a great public education system in Western Australia.

**MR P.C. TINLEY (Willagee)** [4.39 pm]: It is a pleasure to rise late on Thursday afternoon to make a contribution to the debate on the Loan Bill 2016. It is the third, or the fourth, whatever we are up to. There are so many iterations that I cannot possibly keep count, nor can I keep count of the cost. As always, these general debates, particularly loan bill debates and contributions in response to budget speeches, give us the opportunity to range around from local to national to international issues and I invariably run out of time before I have dealt with the issues I think are most intimately felt by all of us in our various electorates, and the various issues that are different from electorate to electorate.

I start with a heartfelt thankyou to a particular group in my electorate. I would like to say a great thankyou to Gary Allen, who established a little community group that members will never read about in *The West Australian* or hear about, but which does outstanding work at a very local level. Gary established what we now know as Cooby Cares, which was founded in the suburb of Coolbellup. It provides support for those in great need. He is supported by several local people who are very active in their community: Jane Burnett; the Coolbellup Community School chaplain, Jane Snare; and Allison Loo, who is another active member in both the school community and the community at large. These people have been instrumental in creating one of the best examples of service to the community that I have ever seen. They routinely go out with a vehicle and trailer to collect household goods, clothes and non-perishable food items, and redistribute them in the Coolbellup, Bibra Lake, North Lake and South Lake communities for families in need. They have been doing that for months now, so it is the least I can do to stand up in this place and say that the community of Western Australia, via the

Parliament of Western Australia, sends a big, heartfelt thankyou for the work that you do and continue to do. I, as the local member, will forever be in your service.

I also want to talk about another local issue that has been quite significant in my community—the amalgamation of Hamilton Senior High School and South Fremantle Senior High School. Those schools have been around for more than 50 years now; I went to the fiftieth birthday of Hamilton Senior High School a couple of years ago and a great number of ex-students from over that time came back to participate in those celebrations. Unfortunately, the changing demographics of the area and the desire and need for certain types of public education has required some rationalisation. Hamilton Senior High School has been extremely well led by its current principal, Donna McDonald, and she deserves all the recognition and respect I can muster as a local member, simply because she has had to lead a school that is in decline and is fiscally challenged. It has been under-supported for the infrastructure it needs, but that is also a function of scale. When enrolment numbers fall below 600 students, things get hard and it becomes a diminishing returns argument. With South Fremantle Senior High School only a short distance away—a couple of kilometres, as the crow flies—it was inevitable either that one of those schools would close or they would amalgamate. The decision was made to amalgamate, and I support that decision because South Fremantle Senior High School was similarly under all sorts of pressures, including reputational and support problems. The part of Fremantle where I grew up, particularly South Fremantle, has always been a challenging environment and South Fremantle Senior High School has not kept pace with community expectations in South Fremantle.

The amalgamation of Hamilton Senior High School and South Fremantle Senior High School to create the proposed Fremantle College will, I am sure, be a great addition to public education opportunities and choices in the Fremantle district, but it will not be without its challenges. South Fremantle Senior High School has fewer than 500 students; it has had all sorts of resources given to it over the years and it has used them well. The maritime services area and performing arts are two standouts. It also has a specialty program for baseball, of all things, which is extremely well attended, and I hope it will continue if there is community need for it. The Department of Education and the state government have given the schools every opportunity for success in the amalgamation process, with a \$30 million injection into producing 16 new classrooms, amongst other things, and refurbishing common areas, administration blocks, and all the other necessary enabling infrastructure for producing outstanding opportunities.

There is a fundamental change in the Fremantle demographic. When I grew up there it was full of wharfies and fishermen; that has now changed significantly as property prices increase and gentrification occurs, as it has throughout the inner metropolitan area. The public now expects, as I term it, the best private education public money can buy. We see that happening at John Curtin College of the Arts, Shenton College, Rossmoyne Senior High School and other schools that have been the beneficiaries of both demographic change and significant investment over the years. Fremantle College—I might add that that is the working title—has my full support and blessing. The challenge is to make sure that it meets the expectations of its local demographic and its shared catchment. There are three catchments for the proposed Fremantle College: the existing South Fremantle catchment; the amalgamated Hamilton Senior High School catchment; and the third, intangible catchment, which is the unmet need of the Fremantle district for an alternative to the current offerings between Hamilton Senior High School and South Fremantle Senior High School.

I was privileged to be invited to join the selection panel for the new principal at Fremantle College and I was very pleased with the result. We had more than 20 applications from outstanding candidates. We shortlisted them and went through an exhaustive process to identify who would be best to lead this very challenging mission to amalgamate these two schools. We chose the then deputy principal of Applecross Senior High School, Mr Myles Draper. Myles has been deputy principal at many schools in different places and was, I think, also acting principal at Applecross for those times when principals take various types of leave. It was a bit of a challenge for the selection panel to give such a task to someone who has not been a principal at that level. Sue Curnow, the district director, was very strong in accepting the recommendation of us all that a deputy could actually make the grade, because at some point they have to step up, fall over or fail. I have every confidence that Myles Draper will do it. The resourcing that has been given to him is significant. The school will have a GATE program, which is unusual for a school straight out of the “gate”. On 26 October it will present to the community the gifted and talented education program opportunities at Fremantle College. It has an exciting future.

**Dr M.D. Nahan:** What’s the GATE program focused on?

**Mr P.C. TINLEY:** I am not quite sure; it has a list of options. Obviously they have to look for a differential advantage with the other schools, including John Curtin, Christian Brothers College Fremantle and Seton Catholic College, because there is all that mix. It is in a very tough market. Melville Senior High School, one of my other schools, is in a similar position. It needs to meet a changing demographic, but it still has a significant proportion of students from the low socioeconomic index quartile—I think about 19 per cent—and the next quartile is also strongly represented. They have a dual challenge. For members who do not know,

**Extract from Hansard**

[ASSEMBLY — Thursday, 15 September 2016]

p6155a-6178a

Ms Rita Saffioti; Dr Tony Buti; Mr Dave Kelly; Ms Lisa Baker; Mr Peter Tinley; Ms Simone McGurk

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Melville Senior High School sits on Leach Highway; to its north it has the river and all the leafy suburbs and to its south, over into Willagee and down through the suburbs where my electorate is, there is a very different demographic, and it needs to be able to please all comers. Under Phil White, his deputy Kylie Bottcher and the team do a great job to meet the needs and they lift all the boats. Phil White and his team at Melville Senior High School have serious competition from Applecross Senior High School, Santa Maria College, the Christian Brothers College Fremantle, Seton Catholic College and John Curtin College of the Arts, which are all within an easy bus ride —

**Dr M.D. Nahan:** And Rossmoyne.

**Mr P.C. TINLEY:** There is also Rossmoyne Senior High School; I thank the Treasurer. They are in a fight. Personally, I do not think it is a bad thing. Melville has nearly 1 300 kids. It has the scale to be viable. There are specialist programs and it has good leadership. There is a good, active parenting body. There is no reason that a parent from any catchment school would not seriously consider Melville Senior High School as an option. It will be game on when we have Fremantle college.

**Dr A.D. Buti:** I'm very disappointed that the name "South Fremantle" is going!

**Mr P.C. TINLEY:** The member for Armadale might be! I hasten to add, for those who are concerned, that it will just be called drab old "Fremantle College". There is a big push —

**Ms S.F. McGurk:** Mighty Fremantle college!

**Mr P.C. TINLEY:** The member for Fremantle has been quite active in making sure that it is given a name—there is a working title—that reflects something other than just a geographic location and expresses some sort of ambition about what the college wants to be. I proffered the idea of calling it Beazley college; I do not mean Kim Beazley junior, I mean Kim Beazley senior. He was the federal member for Fremantle. Under the Whitlam government, he gave 28 years of his professional adult life to deliver the free tertiary education system that we knew —

**Dr A.D. Buti:** He was also the author of a very comprehensive review of the education system in WA called the Beazley report in the 1980s.

**Mr P.C. TINLEY:** There we go; I thank the member for Armadale. We are all better informed about the heritage of those who have driven education in this country and this state to a level that we enjoy now, particularly in public education. It is great to see.

**Mr I.C. Blayney:** But you lost the argument.

**Mr P.C. TINLEY:** The argument continues, my friend! I am fighting a rearguard action, but I will work it out. It may be the Kim Beazley senior performing arts centre or something; we will see.

That was at a local level. I said those thank-yous and highlighted for the chamber and recognised the people who ought to be recognised for their great work. I could obviously spend the entire time on my feet recognising the great work done in the community, as each and every one of us who are active in our electorates could. Now I want to step out because this is a money bill. It lends itself to talk about the economy. I am not about to go through the critique of the government that many people have done over nearly the last four years—certainly the shadow Treasurer and the Leader of the Opposition—about the mismanagement or our perception of the mismanagement of this government's approach to the economy and its finances. I want to step further away from that and talk about the idea of what is happening in our region globally.

I keep saying this and I will continue to say it; this never became more obvious to me than during the Economics and Industry Standing Committee's inquiry into innovation and what is happening with global trade arrangements in our region. I am talking specifically about how we take advantage of the Asian opportunity. We often talk about it here—the Asian century and the sorts of things that will allow us to get into Asia, including being export-oriented and our differential advantages. It is all talk because there is currently no evidence, and I take no comfort from the evidence that I have been able to find, that businesses in Australia—certainly, Western Australia would not be immune from the same sort of research—is taking advantage of these opportunities. It is very timely that two reports have recently come out. One comes from *The Economist* Intelligence Unit. It did a survey of a number of enterprises that I will talk about in a second. There is also the PricewaterhouseCoopers report, "Passing us by: Why Australian businesses are missing the Asian opportunity. And what they can do about it." I will not quote extensively from this article but the executive summary tells us both the sample size and what it found. The PWC report surveyed more than a thousand businesses across the full spectrum of Australian businesses and it spoke in depth to 50 businesses. It did qualitative and quantitative research to find out what was driving decision-making in regarding Asia and the Asian opportunity. The report's four key findings are quite damning. They are —

- Only 9 per cent of Australian businesses are currently operating in Asia and only 12 per cent have any experience of doing business in Asia at all.
- The majority—around two thirds—have no intention of changing their stance towards Asia in the next two to three years.
- Of Australia’s large companies, half are doing business in Asia but only 23 per cent have staff on the ground in-market.
- For those large companies that did have an Asian strategy, the total contribution of it to their bottom line was only 12 per cent.

Obviously, there are ways to pick holes in all that, including the sample size and who they talked to. If they interviewed just BHP Billiton and Rio Tinto, there would be a massive distortion right there. It is not about the fine-grained nature of the detail in the report; the trend is of interest.

[Member’s time extended.]

**Mr P.C. TINLEY:** If we are to accept at least the sentiment of these findings, there is a significant problem. PWC is not given to outrageous claims in much of its research. It may, from time to time, not quite meet requirements but the report’s findings are there for all to see. This led me to wonder, “What’s not right? What’s not working? Why aren’t we getting more involved in Asia?” As we stand here today, there are more bilateral and multilateral trade agreements than ever before in our history. Australia has been party to trade agreements in some form or another for many, many years, since it came into being. I am no grand advocate for bilateral trade agreements. I can find some argument for the benefits of multilateral trade agreements but a lot of the evidence does not allow that. When I ask them about free trade agreements, economists typically want to start by telling me that, of course, the purest economic thinking is that any agreement between two participants in a market is actually a distortion of the market and not helpful, yet, here we are within an inordinate number of free trade agreements. *The Economist* Intelligence Unit recently produced a report called “FTAs: fantastic, fine or futile? Business views on trade agreements in Asia”. It is a very specific study into the specific area of what the impact of free trade agreements is having at the enterprise level in Australia and for Australian enterprises. We must understand the scale of what is happening. As I have said before, Western Australia is trade-exposed in a couple of key commodities to the global winds of change. We could be knocked about, as we have been; the Treasurer has been quite vocal about the changes that have impacted on the finances of Western Australia. The PWC report highlights, and it is worth mentioning again, that by 2030, four of the world’s five largest economies in purchasing power parity will be in Asia. The region will account for more than 50 per cent of global gross domestic product. This is by 2030.

**Dr M.D. Nahan:** I assume that includes India?

**Mr P.C. TINLEY:** Yes. Asia will be home to 3.2 billion members of the consuming class, many of whom will live in 21 of the world’s 37 megacities that will be in Asia. The drive to urbanisation, the concentration of population and the rise of disposable incomes in PPP terms will provide significant opportunity and challenge. Here in Western Australia, we risk a decline in the standard of living. Nothing will grab a politician’s attention more than when people feel like they are missing out, they cannot do something, they cannot get ahead or they cannot get the same as their parents got. Most people who sit in this chamber have enjoyed a golden period in their adult working life; they have enjoyed above-inflation wages growth, low interest rates and continuous economic growth.

**Dr M.D. Nahan:** For 25 years.

**Mr P.C. TINLEY:** For 25 years. Probably after the next election, people who have never seen or been in a recession may come into this chamber. Imagine the culture shock when—it will be when, as every economist will tell you; they just cannot predict when—there is a recession. I remember paying 18 per cent interest on the mortgage of a \$72 000 flat in Applecross on a staff cadet’s wages at the Royal Military College, Duntroon. That was not a happy place to be. There was double-digit unemployment in some parts of the country and youth unemployment was unbelievably high. We came through that and we have come out of the global financial crisis, but we must be savvy about what is happening in our region. I am less worried about downside risk than I am about us not taking advantage of the upside opportunity.

*The Economist* report shows clear evidence of that. The survey it conducted was in the first quarter of 2014—I accept that is the date of the information—but the sample size was significant. It interviewed senior executives from 800 companies in Australia, China, Hong Kong, India, Indonesia, Malaysia, Singapore and Vietnam—100 companies from each country, so 100 Australian companies. For the purpose of balance in the statements I make, the survey was weighted in favour of the views of the small and medium-sized companies, and I will get to the definition of “small” and “medium”. Eighty per cent of respondent enterprises had annual revenues of

between \$50 million and \$150 million, while 20 per cent had revenues in excess of \$150 million. It was weighted down the revenue spectrum to give a better sense of the small-cap companies and their impact. The free trade agreement usage rate, which is the key piece that it was looking at, was significantly lower across all surveyed countries. Australia was second last in the ranking, ahead of Malaysia. Only 19 per cent of Australian respondents made use of FTAs. In Malaysia, it was 16 per cent. Indonesia, interestingly, was the highest and used FTAs to the full value of 42 per cent. Therefore, something is not happening; nation-to-nation negotiation produces the trade agreements that we see—the China–Australia Free Trade Agreement is a good example, but it is yet to really flow through—but there is a disconnect happening between nation to nation. This is where states need to step up and guide enterprises to the opportunities as best as possible. States need to guide, draw, encourage and incentivise when necessary.

I point out that governments should never be in marketing; they should be in market development. There is a significant difference. Market development is going in and assisting in framing the market, and framing the market opportunity is particularly important. Some of the architecture is missing. I suspect a lot of it is because FTAs can be impenetrable to businesses. Businesses in Western Australia may not necessarily know where to go to get information. I am drawn to the Queensland government example. It discovered this problem and immediately decided that even the government itself, let alone any other institution, was this amorphous blob that is very difficult to understand and penetrate, particularly for a medium-sized business. It might have the balance sheet to prosecute an expansion or export program into a target country or market, but it might not know where to go to get help. Queensland developed a single entity—all based around a website—called Trade and Investment Queensland. It is a one-stop shop for businesses or anybody to go to, to have a look and be farmed out to the relevant department, organisation or non-government organisation that will assist in preparing them for exit.

There is a disconnect between what nation states are doing and what states at the subnational level are doing to assist in bringing enterprises to it. There is a gap. I have been working on this over the last couple of years and trying to work it out. As usual with these things, there is never a single answer; there is always a combination of issues, not least of which for Western Australian businesses has been the opportunity that has been presented through the resources boom. That impacted every business in some way, either directly or indirectly, so that their capacity to orientate any resources toward an Asian opportunity through that period may have been limited. For me, the private sector is falling behind—I would not say failing—and governments need to provide answers to where business growth is going to come from next, sector by sector, market by market. When I say market by market, I do not refer to national markets. As a state, we need to look at target markets as not homogeneous but heterogeneous. Indonesia, for example, has a multitude of opportunities. It may not be in the interests of the state to focus on Jakarta; it may be in the interests of the state to move our attention to the subnational level within Indonesia. As of this year, we have had a 25-year sister-state relationship with East Java. One might argue that we could set up shop in Surabaya or any other location, at the governor level, where there are activist governors wanting to promote these things. Vietnam is another example, with opportunities around its provinces. Danang in the middle of Vietnam seems to be the most active and most open for business. We need to look for those opportunities. In my view, it is only through that narrowly cast market development that we will create the enterprise-by-enterprise opportunities that are sorely needed for Western Australia to reorientate the economy towards the opportunities of a knowledge export business so that all Western Australians who are yet to come into this place and who are yet to enter the workforce will be able to enjoy the same standard of living that we have enjoyed.

**MS S.F. McGURK (Fremantle)** [5.08 pm]: I am pleased to speak on the Loan Bill 2016, which will enable us to pay the bills, public sector wages and keep the Western Australian household ticking over. It is extraordinary that it has come to this: there are 45 days left before we run out of money. There is not only an immediate question about the way the finances are organised, but also a broader question about the price the community is paying because of this government's mismanagement of our finances. Mr Acting Speaker, you might be aware that about 12 months ago I became the shadow minister responsible for community services and children's and women's interests. I want to speak about some of the issues within those portfolios that I have become aware of, whereby some of the most vulnerable in our community are paying the price because of this government's budget mismanagement.

I understand that this evening *Today Tonight* will be canvassing cuts to community-based childcare and neighbourhood centres. Just over \$1.4 million a year is expected to be saved by the state government withdrawing accommodation support from what I understand to be 32 community-based childcare centres and 33 neighbourhood or community centres—they have a range of different names. All in all, 65 centres will be affected, which will save the government just over \$1.4 million a year. The accommodation support given to those centres takes a range of different forms. My understanding is that all those centres are on crown land and the buildings can be owned by either the state government or the local council and leased by the local organisation.

Let us look at just the community-based childcare centres. They are not-for-profit centres run by a parent group, much the same as a parent and citizens association is organised, and the parents set the tone for the centre, the policy and the engagement with the local community. They also set a good example for those parents who might then go on and get involved with and volunteer for their local P&C. The experience in Western Australia is that those centres are some of the best quality early learning centres in the state. The Department of Local Government and Communities consistently gives them high ratings in its accreditation and rating surveys. The good thing about them is the level of engagement that the parents have with the surrounding community and the centre itself. Some of those centres have been around for 30 years. I think the Minister for Women's Interests mentioned today that they were set up in the early 1980s as a result of childcare demand at the time. I think it was a little more complicated than that, but, in any case, they have been around for a long time. Another characteristic of those childcare centres is that they have good ratios of care staff to children. Obviously a minimum has to be adhered to under childcare regulations, but these centres sometimes decide to either exceed those minimums or employ administrative, ground care or bookkeeping staff so that the people with qualifications to advise on education structures or care can get on and interact with and set programs for the children and do the hands-on work.

The removal of accommodation support means that the early learning centres, which now operate on a peppercorn rent, will be required to perhaps face commercial rental prices. For instance, I understand that the Town of Victoria Park is trying to get its childcare centres to pay commercial rates of about \$80 000 a year. Up to now the state government department has been in the corner of the childcare centres to help them resist having to pay commercial rates. When the state government exits that relationship, it will be left up to the local government to decide what sort of rates are paid. The Department of Local Government and Communities is telling those centres to have a discussion with their local council to see whether they can come to some sort of arrangement about how the centres will be supported. The state government cannot find \$1.4 million a year to support these centres and it is asking local councils to pick up the bill and provide some sort of support. This is blatant cost shifting. I had one meeting with the Western Australian Local Government Association and I have also written to it formally about this question because it is nothing else but cost shifting.

**Dr M.D. Nahan:** I do not want to interrupt. I have one centre in my electorate that I have had extensive dealings with. Three issues need to be considered. The member is right, the site is owned by the city council and it pays a peppercorn rent to the Department of Local Government and Communities. The government has invested \$350 000 into it over the last five years, but the council has done nothing with it even though it is council property. The community childcare centre does a good job—I am not arguing that it does not do an excellent job. However, the rate charged is essentially equivalent to the adjacent private rooms. I think that the council that owns the building needs to get some skin in the action. It owns the building and it allowed it to deteriorate badly—the roof, the equipment and whatnot. Just like the Town of Victoria Park tried to quadruple the rent on its centre, this council tried to do the same thing and we resisted strongly. It did not need to do that because it has not put any money into the building at all; it has not invested in anything. The state is not backing out of the maintenance of the building in the medium to long term. If we handed the building over to the council, it would just try to gouge, which is ridiculous.

**Ms S.F. McGURK:** I agree that there are different relationships with different councils, and some of them have been quite supportive. I met with representatives from the Shire of Collie. Grants have provided some assistance in Collie with over \$2 million being spent on a new centre there. However, these people are frustrated that the removal of that small but necessary amount of support will shift the sand from under those centres. It is disingenuous for the Minister for Local Government and the Minister for Women's Interests to say, "Oh, we thought that the department had a conflict of interest because it is the regulator and it provides the support"—that is just not true. That is not their motivation. I think someone in Treasury just ran a red line through this and said —

**Dr M.D. Nahan:** I can tell you it was a suggestion made by the department. I had a personal interest in this not happening. I know it very clearly. In fact, I have a meeting tomorrow with the community childcare centre on this issue, so I know it well. I joined them with huge tussles with the old city council of Canning, which did exactly what you said the other council did: jack up the rates after putting nothing into it. In my view, we need to transfer it to the city's assets and have a reasonable approach from the city to it. In my case, the building has been completely refurbished by the state—it was actually built by the government—it does not need any maintenance and the council needs to have skin in the action.

**Ms S.F. McGURK:** I will move on. I think that that is a different discussion from the one about the state government withdrawing support and saying, "You must have discussions with your local councils." The City of Joondalup has said that its legal advice is that it is not to talk to the centre until 2018. On the one hand, the government is saying to not-for-profits that they should be governing themselves properly and putting in place responsible financial plans, and, on the other hand, it is leaving them to the wolves. This sort of community infrastructure is very important. It provides good engagement between the local parents and community. They

are good quality centres. There is a shortage of early learning centres in this state, particularly in the metropolitan area, and these are quality centres. Today I asked the Minister for Women's Interests why she wants to undermine them. I do not know why the government would want to do that and I am determined to get that decision overturned. Similarly, the neighbourhood and community centres provide a really important venue for some very important services. If we take those venues away, and the local governments will be left holding the baby, so to speak, support services could be undermined and thrown into confusion—and what for? So that the state government can save \$1.4 million a year—it is absurd.

This is one effect that the government's mismanagement of its budget has had on the community. It has created absolute upheaval and people are annoyed. The government needs to be aware of what it is doing. I met with a 57-place early learning centre and because it offers after-school and holiday care, it interacts with 360 families in its community. The government needs to think about whether, to save peanuts, it wants to take away and undermine these important community centres on which local families and working women—working families—rely.

Another issue I want to address is the cancelling of the Parenting WA scheme announced in this year's budget. Depending on how many people decided to take redundancies and those who were redeployed, I understand that 44 positions were affected—I am not sure whether they were full-time equivalents. A 24-hour helpline was part of the services offered, as were one-on-one counselling and workshops. In the regions there were full-time equivalent positions in Mandurah, with four FTEs; Albany two FTEs; Boulder one FTE; Carnarvon one FTE; Northam two FTEs; Broom one FTE; Bunbury one FTE; and 1.5 FTEs in Geraldton, which Mr Acting Speaker (Mr I.C. Blayney) might have an interest in. In the metropolitan areas, Parenting WA had centres and did work in Armadale, Cannington, Balcatta, Midland, Rockingham and Mt Lawley. Again, the Minister for Local Government; Community Services said that there was no need to worry and that he thought the not-for-profit sector could do the work that Parenting WA was doing better. That has been the sum total of his response to community concerns and opposition questions about the cancelling of these services. That has been his response: "I think the not-for-profit sector, the community sector, can do this work better." That may be the case, but he has provided absolutely no evidence whatsoever for that—zip. What is more galling is that there is a \$4 million saving in transferring the allocation for Parenting WA to the contract that will be offered to the not-for-profit organisation. Somehow, something has to be lost if there is to be a \$4 million saving, and we have not seen the details of the tenders yet. I think there have been initial expressions of interest to the community sector, but we have not seen the detail of those tenders, or I have not seen them in any case.

We have a Commissioner for Children and Young People position that was set up in recognition of the important value that lies in young people. We talk about that all the time. It is almost a motherhood statement to talk about the importance of early years, education and investing in our children, but this government withdraws 44 experienced advisers who were helping some of the most at-risk families and at-risk communities that were having problems with their children. A good way of thinking about this is to use the example of Ngala, which for 100 years, I think, has provided assistance to Western Australian families on the very early years of childhood—essentially babies up to toddlers—particularly with sleep, feeding advice and perhaps tantrums. They are probably the sorts of services that Ngala is best known for in the very early years of childhood. That is certainly how I remember Ngala when I was a child; it had a reputation that parents with a new baby could ring it when things were really going pear shaped and they were not sure what was going on. Ngala's very solid reputation is hard won and it has every right to it. I think about those families and the fact that as those children get older, we need the equivalent of a Ngala for people throughout the community to ring or get advice about what to do with their five-year-old or their child in primary school who is starting to have behavioural issues that they do not know how to deal with.

[Member's time extended.]

**Ms S.F. McGURK:** Those issues might translate into learning difficulties and issues with bonding and communication with their parents. That is the sort of advice and practical skills that the people at Parenting WA were giving WA families, but, again, with the stroke of a pen, this government has taken that away, not because there is a new model that will deliver services, but simply to save money. If there is a better model that would deliver better services or value for money, the minister has not demonstrated it and he has had ample opportunity to do so.

Quite a lot of work has been done to demonstrate the need for investment in the early years of childhood. As I said, the position of children's commissioner in this state is there to advise on these matters, and there is any amount of research and information that could be drawn on to talk about the importance of investment in the early years. This afternoon I will rely on the Minderoo Foundation, which people in this house would know as the philanthropic foundation established by Andrew and Nicola Forrest. In the Minderoo Foundation's position paper, Nicola Forrest writes about her opportunity in 2010 to visit the Challis Parenting and Early Learning Centre, which I think the member for Armadale was speaking about earlier today. She became aware of the important work done in its integrated early intervention program in the early years, integrating children from

a very young age with services and linking those services with families so that the children are then kindy, preprimary and school ready, and it has provided great results. The Telethon Kids Institute worked with the Minderoo Foundation to document some of the results, and again that has been highly regarded, and rightly so. If we think about the need for a preventive approach, that is precisely the opposite of what is being done with the withdrawal of the Parenting WA program in this state. I will read from the report “Time to Act: Investing in our children and our future”, which is a position paper from the Minderoo Foundation and Thrive by Five. In it, Nicola Forrest writes the following —

... we have become acutely aware of the need to take a preventative approach if we are to truly lift the outcomes of our most at-risk children. In other words, we must address the cause not the symptoms of disadvantage in our community.

Further, she writes —

The smart course for all governments is to ensure that every disadvantaged child has access to such programs. This course is the most cost-effective, efficient and evidence-based strategy to address economic and social disadvantage.

The report overview states —

Longitudinal data from international studies demonstrate that a child who is developmentally vulnerable at the start of their schooling is likely to continue a life trajectory of poor life outcomes ...

As a nation, our response to disadvantage has been largely remedial focused on intensive pre-employment training, school attendance measures, increased incarceration capacity and adult literacy programs. Such responses are necessary; however it is now acknowledged that early intervention is a more cost efficient and effective way to deal with disadvantage. Despite this our focus on prevention has been limited and fragmented.

I think there is no better example of that than the reduction in parenting programs by this government. I could go on to talk about the evidence. Another quote in that Minderoo Foundation position paper is by James Heckman, a Nobel laureate in economics in 2000. The quote states —

“Quality early childhood programs for disadvantaged children are not ‘entitlements’ or bottomless wells of social spending. They foster human flourishing and they improve our economic productivity in the process. There is no trade-off between equity and efficiency... Investing in quality early childhood development for disadvantaged children from birth through age five will help prevent achievement deficits and produce better education, health, social and economic outcomes.

On the one hand, this government has quite rightly invested in child and parent centres, which were taken largely from Labor’s policy developed by a former member of the upper house, Linda Savage, but welcomed nevertheless. The child and parent centres have been a good initiative. On the other hand, the government is cutting funding to community-based childhood centres, including neighbourhood centres and Parenting WA. It is really quite disgraceful. We talk about dysfunction in terms of incarceration rates and the number of young people in justice centres. When we see particular communities with high levels of dysfunction, people talk about the need for early intervention programs to get families communicating and working together, yet Parenting WA programs are being cut and compromised. It makes absolutely no sense.

I will finish soon, Mr Acting Speaker. I want to talk briefly about other examples of poor financial management by this government in my electorate. The obvious one is Perth Freight Link. It cost \$1.2 billion to build a children’s hospital, yet the government is talking about spending \$2 billion to build Perth Freight Link, which will triple the number of containers going into Fremantle port, and it is doing nothing to invest in a new, modern port to take freight away from the metropolitan area. It has been described by others as a zero-sum gain. The government expects to receive about \$2 billion in income from the sale of Fremantle port, yet it is talking about expenditure of \$2 billion to build a road through important wetlands, and a road that actually does not get to Fremantle port. It really is extraordinary, when it is for zero-sum gain. When we factor in the \$60-plus million that was taken in income last year alone from Fremantle port, members can see that the sums do not add up. But that is what we are being led to believe by a no more enthusiastic proponent than the Treasurer. He thinks this is a fantastic deal. I think one of his key motivations for Perth Freight Link is a bloody-mindedness about Roe 8. We have a narrow opportunity to get Roe 8 signed off while the Liberals are, hopefully, in their dying days in government in Western Australia and the Liberal Party in power federally is prepared to fund what is clearly a ridiculous project. That is what we are talking to people about in my electorate, in the south metropolitan electorates and also some of the north-of-the-river electorates. I firmly believe that tripling the number of containers in and out of Fremantle will significantly increase the number of trucks on Leach Highway and going north of the river.

**Extract from Hansard**

[ASSEMBLY — Thursday, 15 September 2016]

p6155a-6178a

Ms Rita Saffioti; Dr Tony Buti; Mr Dave Kelly; Ms Lisa Baker; Mr Peter Tinley; Ms Simone McGurk

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I do not know how many times I have spoken in this house about the need for the state government to make a decision about relocating the Department of Housing to Fremantle. The government promised it in 2012. It is now 2016—just make a decision! If the government is going to do it, do it. If it is not going to do it—I sincerely and enthusiastically hope it will—tell the City of Fremantle that it is not going to move a government department to Fremantle. But nothing has happened. For about four years I have been told a decision is imminent; it is about to happen! Again, it is about this government's poor handling of investment decisions and of infrastructure in the case of the Perth Freight Link. In this case, it is not only affecting the people who work in the Department of Housing, and possibly positions from other departments, as I understand according to the proposal, but also it has left hanging the City of Fremantle and the proponent, Sirona Capital Pty Ltd, which is involved in the Kings Square development, with no investment going into an important metropolitan strategic centre—the City of Fremantle.

With the right kind of investment, the opportunities in Fremantle could be considerable. Hope against experience made me think that perhaps when the Premier took responsibility for the tourism portfolio he might start to understand the significance of Fremantle as a tourist destination, especially for the thousands of people who get off cruise liners every month. At the moment, those who do not get on a bus and go somewhere else but want to come into Fremantle, walk across the footbridge to the first point of arrival, which is Captain Munchies. As much as I am fond of Captain Munchies, I think we can do better. There are huge opportunities in cruise ship arrival points as well as from investments in Fremantle. Some of that needs to be done by business and some needs to be done by the local community.

The government has been promising something that will rejuvenate the centre of Fremantle but it has delivered nothing, just as it promised to spend, I think, \$19 million refurbishing Fremantle Hospital. The government has taken nearly 2 000 jobs out of Fremantle Hospital, and it promised \$19 million to refurbish that hospital when it took a number of services away with the opening of Fiona Stanley Hospital. However, I think we have seen about \$3 million invested and the rest of the proposed funding for the refurbishment of Fremantle Hospital has been taken out of the budget allocation. This is not the first time I have said this in the house, but I say again that we need only walk around that hospital to see the level of neglect. I hope its clinical operations are run a lot better than the physical site, which looks terrible. It was described to me the other day by a woman I know who was walking down my street and who stopped to have a chat. Her father was in Fremantle Hospital. She said, "I'm embarrassed when I see the comparison between Fiona Stanley Hospital and Fremantle Hospital; it's absolutely woeful". But, really, that is this government's neglect of Fremantle, writ large. The government invests in bright, shiny projects but fails to invest in basic infrastructure to make sure our health and community infrastructure is backed in. That is what is needed for utilising Fremantle Hospital. It is what is needed for experienced people, through Parenting WA programs, who are used to working with the most disadvantaged communities.

Debate adjourned, on motion by **Mr J.H.D. Day**.