

Dr Mike Nahan; Mr Ben Wyatt; Ms Rita Saffioti; Mr Peter Watson; Mr Roger Cook; Dr Tony Buti; Mr Ian Blayney; Mr John Quigley; Mr Paul Papalia; Mr Fran Logan; Mr Chris Tallentire; Ms Simone McGurk; Mr Peter Tinley; Mr Bill Johnston

APPROPRIATION (RECURRENT 2015–16) BILL 2015
APPROPRIATION (CAPITAL 2015–16) BILL 2015

Declaration as Urgent

On motion by **Dr M.D. Nahan (Treasurer)**, resolved —

That in accordance with standing order 168(2), the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015 be considered urgent bills.

Cognate Debate

Leave granted for the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015 to be considered cognately, and for the Appropriation (Recurrent 2015–16) Bill 2015 to be the principal bill.

Second Reading — Cognate Debate

Resumed from 14 May.

MR B.S. WYATT (Victoria Park) [4.14 pm]: I am not the lead speaker for the opposition on the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015. The Leader of the Opposition is the lead speaker, as per normal.

The question must be asked, to a certain extent: how did it come to this? Presiding over the greatest revenue boom that the state has enjoyed, the state government has not only spent all that—I do not oppose or dispute the position put by the government that we have spent a lot of money—but also ratcheted up the debt. The debt level is expected to reach \$36 billion, before apparently beginning a downward trajectory. This is the inevitable budget. It is the budget we had to have with a Liberal government. This budget was predetermined in the government’s first term. Time and again the opposition said that the government could not keep borrowing and spending. Every single time, backbenchers would get up and say, “But in my electorate, we’re doing this and we’re doing that.” I do not dispute the fact that the government has spent a lot of money, but I do dispute the government’s right to leave a crippled balance sheet to the government to be elected in 2017, and possibly also to the one elected in 2021. I find it odd that a so-called conservative government is doing that. I find it odd that a conservative government that up until now subscribed to a theory that has dominated Western Australian politics since the Richard Court years has now abandoned that theory, which was to borrow money for income-producing assets and spend within revenue sources. That has been the overriding fiscal narrative since the Court years, but it has been abandoned.

I concluded my contribution to the matter of public interest debate by quoting the Premier stating that the socially responsible thing to do is to shift the financing of non-income-generating assets away from debt to financing from current revenue. That has all changed. Now I hear “productive assets”—the definition is probably broader I daresay—and “long-term assets”.

Ms R. Saffioti: Assets normally are.

Mr B.S. WYATT: We like to think that assets normally are long term, but they are income-producing assets. As the Premier said, it is a socially responsible thing to do. The reason the Premier said that when he was in opposition is that he knew back then, before he moved to the treasury bench and did not care a wink about the finances, that when non-income-generating assets are built—I think the Treasurer describes them as productive assets anyway—a cost is imposed on the recurrent side. Now, with the debt where it is, we are beginning to see more of the public–private partnerships as the government seeks to transfer capital expenditure to the recurrent side. It is obvious what is going on.

Last year, I gave the Treasurer credit for his budget speech. When he managed to knock the top of royalties for regions, he had the National Party applauding him, and I was impressed that he managed to pull that one off. Last Thursday they were not so effusive, shall we say. I think half the government members understood that the speech did not paint a pretty picture and the other half were uncertain. They had heard the words “deficit \$2.7 billion” and “net debt \$36 billion”, but they were unsure. There was scattered applause, but it was hardly effusive. I have said time and again that in Western Australia the last 20 years have shown that net debt will always be lower under a Labor government. Of all the journalists, perhaps the one who nailed it, if a government can be nailed in a single paragraph, was Jonathan Barrett, writing in *The Australian Financial Review* of 15 May. I will read his opening paragraph, because it is a beauty. It reads —

If Mr Topsy-Turvy got elected to government, he’d rack up big debts during good times and pull back on economy-stimulating investment during bad times.

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He'd hold on to a state-owned iron ore export facility during the resources boom, and sell it after it is devalued in the bust.

He'd have a sovereign wealth fund that earns less than the interest bills on his debt. He'd wear socks on his hands.

This is Western Australia, post boom.

He could have also added, "He'd flog off government-owned commercial buildings at a time of glut in commercial properties", but I will come to that again shortly.

But Jonathan Barrett nailed it, because these people have asked time and again: what is the government doing as a conservative government? That is why our plaintive cries to the backbench, and made again by the member for Cannington during the matter of public interest motion, are for the government to take control of this inevitable budget that we have got to have, and do something about it. I made the point during the MPI motion that I saw for the first time a flash of that former director of the Institute of Public Affairs—a flash! Somewhere in there I have waded through the pump-priming rhetoric; I have waded through the rhetoric from the Treasurer that we must spend to produce jobs, and finally we are starting to see some very conservative assumptions about upside risk. Finally we are getting there. I dare say it is something the government should have done five or six Treasurers ago. Ultimately, I have said—we all on this side have said it—that time and again there has been a ridiculous so-called financial strategy. Much has been said about the fiscal action plan in the 2013–14 budget—that is, the fiscal action plan that followed on from the fully funded, fully costed budget. It has actually been a government of great rhetoric. It is one of those things upon which I will be able to reflect when I write my memoir—the fully funded, fully costed fiscal action plan.

Ms R. Saffioti: The title of the book!

Mr B.S. WYATT: The title of the book: "Fully funded, fully costed"!

We cross-examined the Premier today that when he said that he had a \$20 billion net debt cap, that was what he wanted. When he said that at the time, he was not just the Premier, he was also the Treasurer—one of the three or four times he has had to do that. He said that \$20 billion was his cap. However, the revenue he got was \$6.5 billion more than he expected. When he said that he would not go into deficit, the revenue he got was more than \$4 billion more than he expected.

At no point has there been a coherent plan that the government has implemented and stuck to. I refer to the 457 visas. Do members remember that issue? We asked a question of the education minister, who said that the government was not asked and that it did not know how many 457 students it had—and out came the revenue.

For the royalty review, the government booked the revenue two years before it finished the review, and here it is—out it came in the 2015–16 budget. The metropolitan region improvement tax was to extend to all of regional WA, but no, it will not now—out comes another \$100 million. It is just an extraordinary way to manage the finances. Now there is this asset sale program.

There is no coherent plan. The government is still waiting on the previous one from some 12 to 18 months ago. What about the Canning Vale markets? The government could have appointed my local real estate agent who would have got that one moving quicker than the government has.

From the day these guys opposite came into power, there has been a complete disregard for the trajectory of the finances. I said when we lost the AAA credit rating that when the government does not believe in the forward estimates and when it does not have a plan for where it is heading, ultimately that is where it will end up. The government's credit rating is shot. It has plunged us into record deficits and debt that we all know—even the government is furiously saying it—is heading to unsustainable levels.

I noted some of the commentary made. I have referred to Jonathan Barrett's article, but I think Saul Eslake, one of the leading economists whom the Treasurer has described on radio as his friend —

Dr M.D. Nahan interjected.

Mr B.S. WYATT: Yes, his friend—so the Treasurer knows him. Saul Eslake made some interesting points the day after the budget, as reported on ABC radio. According to my notes, I quote —

"[The] West Australian Government's spent as if iron ore prices would stay at those levels forever rather than putting some of the windfall gains they were getting aside to cushion the downturn that's now being felt," Mr Eslake said.

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That is, the government should run bigger surpluses to allow for the downturn. I have said that I agree with the Treasurer—I will give him that—that no-one expected the decline in iron ore would be as rapid as it was. I accept that, but we all knew it was going to decline. Every budget that has been produced states in the statement of risk, “Don’t rely on the commodity price; it’s volatile.” The last couple of budgets have said that the commodity price was highly sensitive—not sensitive, but highly sensitive. We therefore knew it was going to happen. Unfortunately, the member for Cottesloe spent, as Mr Eslake said, as though iron ore prices were here to stay. Mr Eslake went on —

“But what I’d also say is even not withstanding that, Western Australia ought to be in a better financial position that it currently is.

Mr B.J. Grylls interjected.

Mr B.S. WYATT: No doubt Brendon will get up. I hope he will get up. He does not get up much anymore.

Mr Eslake went on —

“So the problem is only partly on the revenue side, it’s also been on the spending side and in the failure to plan for the day that surely would have come when iron ore prices weren’t nearly as high as where they were two or three years ago.”

The overwhelming response I have received from members of my electorate and generally in conversations around my electorate is, “How did it happen so quickly? How did we get into this massive deficit and a surge in net debt so quickly? The iron ore price only fell apart over the last year. What happened?” Even Tony Seabrook of the Pastoralists and Graziers Association, a friend of the government, said, according to my notes —

The core issue in this is that we’ve just had this incredible unbelievable mining boom; this amassing of wealth that should have been still sitting ... available to them; in 15mins of this boom being over the Govt is running up a massive deficit and then having to go and sell off a whole lot of public assets to fulfil a shortfall they’ve got, which they shouldn’t have had.

I think that is perhaps the resounding response: how did it happen so quickly? We all know why it happened so quickly. The government assumed huge revenue growth and it allocated every red cent of it. That is how it happened. Therefore, when it has a three per cent drop in revenue, it plunges into massive deficits—three of them! That was the impact—a three per cent drop in revenue. I know that the Treasurer will get up and talk about population growth, but at no point during the term of the Barnett government has he not enjoyed the highest revenue per capita of any state government—at no point. He has actually had the revenue come with the population. I know that the Treasurer will get up and continue talking about the population growth; however, if I could see in the figures a decline in revenue as population surged, that would make sense. It does not. At no point has the Treasurer not enjoyed the significant highest revenue per capita during the Barnett government compared with the case in all other Australian states.

The asset sale program has been added to significantly in respect of this announcement. As I said, there are some interesting things in the budget, some of which I am not surprised to see from a conservative government and some of which I am not surprised to see at all. However, I am surprised to see, as I mentioned during the MPI motion, the sale of government-owned buildings via a sale and leaseback arrangement. I want to quote the Premier again for the benefit of *Hansard* in this debate. The Premier told us why the government had to spend \$30 million—I think it was—to build the Premier his personal office just behind the Parliament at Hale House. He kept making the point, as we questioned him a number of times in this place members may recall, that it was actually a financially logical thing to do and that owning a government building would save a fortune. On 24 February 2011, referring to Hale House, the Premier said —

It will be brought up to a new building standard, and, indeed, that will pay for itself many times over. The net effect of these changes will be to save well over \$100 million for the Western Australian taxpayer—very, very substantial changes will be made—and it will reduce, also, the number of leasehold locations. Bear in mind: state government does not pay taxes. For those members who might think financially, why would a government that does not pay taxes occupy rented accommodation? It is logical for government, if practical, to own its own property. In other words, Mr Speaker, rental does not, for government, represent a tax deduction, because it does not pay taxes; therefore, the financial position is far better for government to own its own property on its own land.

This was said only in 2011, and now, apparently, we are led to believe that the financially sensible thing to do is to sell all those assets—those government-owned buildings—and lease them back. I want to quote, if I can, some

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recent media articles and some commentary from people in the property market. I will quote from a story by Marissa Lague in *The West Australian* of 11 February 2015. It states —

The legacy of the downturn in the mining industry and a building boom in Perth is empty office space, and plenty of it.

Along with its release of a report showing a January office vacancy figure of 14.8 per cent, the Property Council is forecasting the CBD rate to peak just above 18 per cent in 2016 before a long tapering-off that will leave it still at 14 per cent in 2020.

...

JLL —

That is another property group —

is forecasting vacancies to peak at about 23 per cent ...

Again, there is another article on 22 April fretting about the huge surge in commercial property vacancies. Most recently, an article on 13 May 2015 states —

With an office vacancy rate of 16 per cent and rising, building owners in the Perth CBD are re-entering the market and having to compete for tenants.

Only the Western Australian Liberals would flog off government-owned commercial property into that market, bearing in mind that they are also trying to flog off an iron ore port at a time when the price of iron ore has fallen dramatically. I am interested to see what price Utah Point gets for the Western Australian taxpayers in that environment.

Interestingly, the Treasurer said—I wrote this down during his reply on the matter of public interest—that most of the debt has been in revenue-generating assets. That is not true. Over half of the debt is in the general government sector. The reason I keep quoting from the Premier's first substantial speech is that he said that it was the socially responsible thing to do. He said that the financially responsible thing to do for the next generation was to fund income-generating, or revenue-producing, assets from debt, but to fund non-income-generating assets from current revenues, which has generally been agreed amongst state governments across the nation for decades. That is not a controversial statement, except within the WA Liberal Party. That is a controversial statement only within the WA Liberal Party—actually, it is only within the WA Liberal Party room, because I do speak to Liberals around the place who are aghast at where the member for Cottesloe has taken the finances. The point I keep making, Treasurer, is that the growth in net debt in the general government sector has surged.

[Member's time extended.]

Mr B.S. WYATT: Eric Ripper, the former Treasurer and Leader of the Opposition, took great pride in making the point that when the Labor Party left office in 2008, the general government sector was net debt free. There was \$3.6 billion in assets in the general government sector. The reason he kept making that point and he was so proud was that he had not left that recurrent problem with the next government. He said that we had bequeathed to the next government a strong balance sheet, as is the responsibility of governments—up until the Barnett government. This government is increasing, and it increases more with this budget, the amount of debt it holds so that more and more is being held in the general government sector—55 per cent plus. Michael Barnes, the Under Treasurer, made that very point about the debt growth during the briefing he gave to members just before Parliament sat today. He gave a very comprehensive presentation to members of Parliament. That is the reality of where the debt is being held. It is not going into ports, Western Power or the Water Corporation; it is going into the general government sector. That is why I keep quoting that speech. I keep mentioning income-producing assets to the Premier, because he has moved away from that as it is a larger constraint than he was ever going to impose on himself.

I want to make a few comments about the asset investment program. The siren call of the Liberal Party polling was there for all to hear during the Treasurer's budget speech. I went back just for the fun of it—these are things that we like to do—and I thought: how many times has the word “jobs” been referred to in budget speeches by this government? The record goes to my old friend Troy Buswell in 2009. He used the word “jobs” 14 times. Members may recall that 2009 was when we saw the teeth of the global financial crisis and there was a massive spend, particularly by the federal government, on job-producing infrastructure. Mr Buswell said the word “jobs” 14 times, Mr Barnett said it twice in 2010, Mr Porter said it zero times in 2011, Mr Porter said it three times in 2012, Mr Buswell said it zero times in 2013, and Mr Nahan said it zero times in 2014. Then, in this year's speech from the member for Riverton, he referred to the word “jobs” six times. We see where we are going now.

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We can see what the polling is starting to say. I want to focus at the moment on one particular point that Jonathan Barrett made about “Mr Topsy-Turvy” being in charge of the finances. He said —

... he’d rack up big debts during good times and pull back on economy-stimulating investment during bad times.

I have listened intently to the member for Riverton, the Treasurer, talk about the state government pump priming now and say that the government is spending big for our jobs. It is always interesting to look at the raw figure— if it is \$5 billion, that sounds like a lot—but we have to determine the context of that figure compared with the size of the economy or compared with total spend or total revenue. I had a bit of a look, although I did it only from 2007–08, because, as some members may know, in 2009–10, Mr Buswell changed the definition of the old capital works program to asset investment program and excluded some things. I again thank Mr Barnes, who has agreed to provide those figures all the way back to 2000 under the “asset investment program” definition. I want to go through some pretty pictures. This is the Western Australian asset investment program for 2007-08 through to the end of the projections in 2018–19 as a percentage of total public sector revenue. That is the red graph, friends.

Mr P. Papalia: Is that upside down?

Mr B.S. WYATT: It is not upside down. The graph at the bottom is the percentage of total public sector net worth. Members can see which way it is going. An amount of \$5 billion may sound good. I thought we should look not just at TPS revenue, but at TPS spend. It is a very similar graph, colleagues.

Mr W.J. Johnston: I thought they were pump priming; that would mean it should go up.

Mr B.S. WYATT: That is right. Mr Barnes also gave us very useful graphs. I can see why he got the job full time; he is very good. The very first graph he gave us shows that business investment has peaked and is now coming off. I thought that if business investment has peaked and the Treasurer is a pump primer now, that must be when ours goes up as a share of the economy. Sadly, it is also going the same way—that is the blue graph, not the red one at the top—as a percentage of gross state product. It goes from its height of 4.02 per cent of GSP in 2009 during the global financial crisis, which was largely stimulated by the federal government spend, down to 2.3 per cent this year and then down to 1.95 per cent. It is important to put these things in context, because the asset investment program, as a percentage of total public sector expenditure, as a percentage of total public sector revenue, as a percentage of total net worth of the total public sector, and as a percentage of gross state product, is the smallest it has been since 2007–08 and it is declining. That is the reality. Before I hear any more of the rhetoric from the Barnett government around pump priming to support jobs, the reality is that it spent big during the boom. That is what Jonathan Barrett is saying. It spent big during the boom and it blew out the debt levels, and it cannot do that now. That is why the Water Corporation and Western Power are saying that they cannot do these things because the overall government debt is causing problems. I will give members the tip that what the government announced by way of asset sales is not going to solve that. There will be a sugar rush.

I also scrawled down the Treasurer saying, “I believe in asset recycling.” That is despite the Treasurer saying, not that long ago, that he does not believe in it. He said, “There’s no way in hell we’re going into that.” I cannot get a picture of what this government’s financial spine is.

I am running out of time. I will make some comments about health because this is something of some import, and cost. I noted that in the Treasurer’s speech—it was actually too long a speech, to be frank; I would wind it back next time—he made a point about health. He said —

To ensure the community continues to have access to safe, quality and cost-effective health and hospital services, the Liberal–National Government will spend an additional \$417 million over the next four years.

That sounds nice, but it is not quite right. What we have can only be called a blowout in the health spend. I keep telling my colleagues on the other side of the chamber to read the statement of risk—that beautiful statement of risk—because that is where all the evil is. We are trying to move to a national efficient price in health. We have, by and large, an inefficient system compared with the national average. This is what was said in 2014–15 about health —

... the State Price is currently 8% higher than the national average cost ...

The assumption in that budget was that that would reduce to the national efficient price by 2017–18. In this budget, a year later—I thought things would get better—Western Australia is now 10.3 per cent above the national average cost and now we have extended the time we assume we will get there to 2020–21. That is the Treasurer’s \$417 million in cost. I asked Mr Barnes, “Of that \$417 million, how much is the extension of that time to decline to the efficient cost and how much is increased possible activity in the health component?” The Under Treasurer said, “Health activity is tracking exactly as predicted. The vast majority is the extension of that

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time between 2020 and 2021.” The cost is \$417 million. That is not quite reflective of the Treasurer’s budget speech. I note the Minister for Health has had a lot of money to spend, but he has not focused on the efficiency of the health system whatsoever. All that proves is that we are getting less efficient year on year compared with the national average.

I want to make one final point about finance. I again quote the Treasurer, who said, “On this side we’re passionate about education.” We talked about all the figures. The health minister said, “We’re now spending 28 per cent of the budget pie on health compared with 25 per cent under Labor.” I thought, “What is going on in education?” Schools have not said to me, “I don’t know what to do with the money. We’re awash with money.” In 2007–08, 26 per cent of the state budget was spent on education and training. In the 2015–16 budget, the figure is 18 per cent. When the Treasurer says that the government is passionate about education, what that shows—the pie has grown, I will give him that—is that the government prioritises education less than other areas of government. Labor has always allocated more of the pie to education. That is what that figure shows.

I, for one, am stunned. I am stunned at the \$2.7 billion deficit and the \$36 billion net debt, yet the Premier still has the audacity to come in here and say, “What about Midland?” Until the government gets its house in order—that means controlling the member for Cottesloe—things will not improve. The Liberal backbench will have the ultimate say on whether the Premier finally starts to listen. The governments elected in 2017 and 2021 will have to rectify the state’s finances. I look forward to Liberal members of government standing to explain how they intend to do that.

MS R. SAFFIOTI (West Swan) [4.44 pm]: It is a delight to follow the member for Victoria Park in his contribution to this debate on the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015. Watching the state budgets unfold over the years under this Liberal government has been like watching a very bad horror movie. We could all see it was coming but no-one on the government side looked behind them. We knew it was coming. The Labor Party said, “Look behind you, government. The debt monster has been unleashed.” Yet government members never looked behind them. They said, “It’s all okay.” There was speech after speech and warning after warning in this house. We said that it was going to end badly but they refused to accept what was coming. We could all see a bad horror movie but they refused to accept it. Now we are here debating the worst budget ever. The worst budget ever presented in this place was handed down by the member for Riverton.

Mr M. McGowan: By a long way.

Ms R. SAFFIOTI: By a long way. The debt monster has been unleashed and the government is unable to control it. It built it; it has unleashed it. It does not know what to do now. The government might feed the debt monster a few little assets, but do members know what?

Mr W.J. Johnston: Some light poles!

Ms R. SAFFIOTI: Exactly; a few light poles, a port here and there, and a few CBD buildings are thrown to this debt monster, but the debt monster is too out of control and this government created it. The Liberal Party created this insatiable debt monster. To go through each year, we need to feed it a bare minimum of about \$1 billion in interest costs. That is \$1 billion in interest costs just to feed that debt monster so that it does not turn completely on the people of Western Australia. Here we are throwing at this debt monster a few light poles, a few commercial buildings and a port here and there, but the government has created a monster that will be here well beyond the political life of the Treasurer and well beyond the political life of the Premier. I think my children will still be feeding that debt monster in decades to come.

Let us go through some of the key facts of the worst budget ever. Honestly, if people did not hear it, they would not believe it. I will go through some of the key aggregates. We have always said that it is not a revenue problem. Do members know what? The state budget confirms it. What has happened to create a \$2.7 billion deficit? There has been only a 2.7 per cent drop in revenue. I heard the Treasurer on radio describing it in a household situation. He said, “What happens if you lose your job? If you lose your job, you borrow.” The government has not lost its job. There has been a three per cent fall in revenue. It lost its higher duties allowance for six months—that is what happened! The government did not lose its job. If it lost its job, revenue would have halved. It would be zero, basically. It did not lose its job. Even though it lost the higher duties allowance, it spent it and completely changed the budget. That is what the government did. It did not lose its job. A 2.7 per cent fall in revenue is not losing a job; it is the loss of the higher duties allowance.

Let us go to net debt. At the end of 2015–16, net debt will be \$31 billion. It was estimated to be \$25 billion at the end of 2014–15. It left the government \$3.6 billion. It created interest payments of \$1 billion. In the general government sector, there are interest payments of over \$400 million. This is what the government has left.

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During the good times the government not only spent every red cent, but also borrowed. It has created a debt monster that is now out of control and the government does not know what to do with it.

Let us talk about some of the asset investment that has been referred to, firstly, in education. The Treasurer stood up and wanted to have a go at me about the north Ellenbrook high school. He somehow thinks that we should be grateful to the government for building a high school, even though the government had promised it would be opened by 2017, after the member for Swan Hills had written to everyone saying that it would be open in 2015, and even though the current school is so over capacity that it has had to put in more than 29 demountables. In spite of all that, somehow we are supposed to be eternally grateful to the government for building a high school in an area in which people live. This is what the government should be doing.

Mr W.J. Johnston interjected.

Ms R. SAFFIOTI: Exactly. This is what the government should be doing; it should be building schools. I was a little flummoxed by the Treasurer's performance today, so I thought I would look at some Labor budgets to see whether we built schools. It turns out that we managed to build schools without bankrupting the state! Go figure! We actually built schools without bankrupting the state—and lots of them. I refer to the 2007–08 budget, which shows under "Works in Progress" Ashdale Secondary College, Atwell College, Cape Naturaliste College, Dalzellup College, Gilmore College and Manea Senior College. In comparison, in this year's budget, there is Ellenbrook north, Harrisdale and Willetton. Good—a replacement for Willetton. We managed to build schools without bankrupting the state, and probably more than the government has, but it is talking about how we should somehow be eternally grateful that it is building schools. Of course governments should build schools, and of course they should be built in areas where people live. That is a basic of government.

We also talked about health. The other day the Minister for Health wanted to give me credit for every new hospital being built; I was the only member in this chamber who was part of the Reid reform, so I took credit for every new hospital we built. One of the key points of the Reid review was appropriate care in the appropriate setting. Let us face it; that was the key basis for the review. It said, "Let's build these centres of excellence, let's upgrade the general secondary hospitals and also look at other aspects, particularly health in the home. Let's do that whole package, because that whole package will help us basically sustain a health sector for decades to come." That is what he wanted to do. However, this minister does not care about any of that. He has privatised this, contracted out that, blown costs here and sold off hospitals that actually provided good services in relation to the cost of health services. He has basically gone exactly opposite to what the Reid review was about. It was not just about the buildings; it was about appropriate care in the appropriate setting. The idea was a sustainable health system to ensure that future generations could have a good level of health service, and we needed to ensure that it was affordable in the long term. This government has basically abandoned that. There was some commentary on the justification for the net debt. Of course, we set up a bank account for Fiona Stanley Hospital and we put about \$1.5 billion into it. As I recall, the two mining companies about which the Premier is now aghast because they are exporting iron ore have helped fund the Perth Children's Hospital. The whole idea that all these borrowings are a result of these hospitals is, again, not proven by fact.

The member for Victoria Park talked about the asset investment program. This budget was supposed to be about creating jobs: "Sure, business investment has fallen and sure, state final demand is contracting, but we are out there trying to create jobs." In fact, the government is actually cutting government asset investment and government construction. Regardless of the weird numbers it has thrown into this place using some very hefty multipliers to try to justify its projects —

Mr P. Papalia interjected.

Ms R. SAFFIOTI: I do not know—commercial divers. It was a budget for the commercial divers of WA!

There was a cut in asset investment. At a time when private sector investment is falling, the government is cutting asset investment. It is so bad that all I have to do for this speech is read the key budget aggregates and no further analysis is needed because it is so bad. Asset investment was \$6.8 billion in 2013–14, falling to \$6.2 billion in 2015–16. That is a cut in asset investment.

Another key point is gross borrowings; this is not net debt. It was \$41 billion in 2013–14, up to \$46.8 billion in 2015–16. Those are incredible numbers. The government has created this situation. At a time when debt is out of control and state final demand is contracting, it should be putting more money into asset investment but, in fact, it is cutting it. It also probably should not be increasing taxes at this point in time; that is not going to encourage business. Let us face it; during an election campaign the Liberal Party is notionally and theoretically the party that lowers taxes, but in government it is completely different. At a time when state final demand is contracting, the government is actually increasing taxes. We have seen the payroll tax hike that we debated in this place only

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a couple of weeks ago; that was from the midyear review. Now we have another increase in land tax—an \$826 million increase in land tax over the next four years. Again, more legislation will need to be brought in for that one. The government has also removed the first home owner grant for established homes, which is worth \$109 million. We heard in briefings today that the housing market is looking a little soft. There are concerns about the housing market, both the construction and established home market, yet the government is cutting the first home owner grant for established homes, which is currently about \$3 000 per home.

Because of its poor financial management, the government is going to hit Western Australians at a time when it should be assisting Western Australians. It is cutting asset investment and increasing taxes. Of course, there are also household charges. Year in, year out, this government has gone in and raided households by increasing the price of essential services such as water and electricity. Regardless of some of the claims made in this place, this government has continually increased power prices —

Mr W.J. Johnston interjected.

Ms R. SAFFIOTI: Of course.

But the subsidy seems to be increasing, too, so what is the government doing? It is claiming that its reforms are somehow working, but they are not working at all. This is a time when the economy should be assisted, not hit with cuts to government investment and increases in taxes. The fiscal outlook and the economic outlook are both pretty concerning. We have seen an increase in the unemployment rate and a slowdown in many of the tax collections that the government relies on. State final demand continues to be very, very weak. The government did nothing to diversify the economy during the boom; it actually cut funding from many key areas. It is cutting training, and training helps people get jobs.

I want to talk a little about the area of science. It is something I know a bit about, because I worked on it with Geoff Gallop when we were in government. We had a science council and we invested significant funds into a number of programs. All that funding has been ripped out by this government. Its big science announcement was Scitech—remember that? It said it was going to build Scitech next to the sports stadium. One does not have to be a planning expert to know that that was not going to work. Of course, Scitech balked at the idea and now it is still trying to find a place for the new Scitech. The so-called science minister has, under this government, cut funding for science and not even found a new home for Scitech, which should have been done years ago. The government has done nothing to diversify the economy. The only thing the government can point to is the Ord scheme. Anyone who thinks that is diversification of the economy does not actually understand what is happening there.

Mr W.J. Johnston: How much did they get for that 14 000 hectares of land? How much did they get paid when the private operators took it over?

Ms R. SAFFIOTI: I cannot remember. How much?

Mr W.J. Johnston: Wasn't it zero?

Ms R. SAFFIOTI: I think it was zero. Basically, we all know that that deal is going nowhere and that whole concept of diversification of the Ord is not going anywhere. Frankly, I have not heard a dorothy dixer about it for about a year, so even the government knows it is not working if it cannot even rustle up a dorothy dixer on this. What is so interesting about this whole thing —

Mr W.J. Johnston: They should hire Rob Sitch as a consultant!

Ms R. SAFFIOTI: I think they have!

The whole point is that this situation is so bad, yet many on the other side do not quite understand it.

[Member's time extended.]

Ms R. SAFFIOTI: Members on the other side stand and reel off a couple of things built in their electorate, but they cannot explain how debt got to \$31 billion. No-one has been able to explain it. Members opposite tried to. They said they had spent \$31 billion in education, which we know is not right. They say they have spent \$31 billion in health, which we know is not right either. They cannot actually tell us what the \$31 billion was spent on.

I want to go back to the key point. We have said again and again that individually, members can stand and justify any project by saying that they employed 10 people and that is really, really good. They can justify any particular project but a government has to manage the entire budget and every time the government funds one project, there is an opportunity cost.

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Mr R.H. Cook: That's right. It is called Perth hospitals.

Ms R. SAFFIOTI: Exactly. With respect to the beautification projects, we have asked all along what building Elizabeth Quay, the eastside precinct and City Link simultaneously is all about. There is commercial space everywhere now. For most of those projects the economics are driven by providing commercial space yet we are doing that at a time of massive commercial vacancies. We always warned that the government could not do all these projects together because there is an opportunity cost. Let us look at some of those opportunity costs and at some of the projects that are not happening. The Metro Area Express light rail was a key election promise. Members will remember that the Minister for Transport stood today and talked about the Perth Freight Link. When the Premier was previously asked about the Perth Freight Link, he said, "No, our priority is MAX light rail." Now the government is not proceeding with MAX light rail but it is proceeding with the Perth Freight Link. The key point is that when the government makes decisions, it is denying other projects, which in most instances would have stronger benefit costs than many of the projects that it is undertaking.

The member for Cannington has a particular issue with the underground bus station. I have to say that I agree with him. Really, \$230 million! Why? It is because the government wants an underground bus station. It was described once to me as the "Parisian effect" when people want to go underground to catch a bus. Seriously? There are other huge priorities. That is counted as Public Transport Authority expenditure. Government members are saying, "We are spending money in public transport." It is sinking a bus station; it is not building new routes to massively growing suburbs, it is not improving bus routes —

Ms J.M. Freeman: It is not building MAX!

Ms R. SAFFIOTI: It is not building MAX and it is not building additional heavy rail.

Mr P.B. Watson: The gas pipeline.

Ms R. SAFFIOTI: Or the gas pipeline. It is sinking a bus station. The government is saying that is PTA expenditure. Also included in that category is the new train station at the stadium. Let us face it: if the government were not spending \$350 million upgrading that station, it could build the rail line to Yanchep, it could build half of the rail line to Ellenbrook or it could build the Thornlie to Canning Vale line. That is the point. Members opposite stand and say, "You guys want it all." No; we just want some justification for and analysis of the government's decisions. We want people to be aware that there is still very much unmet demand, particularly in transport. The government has done nothing for public transport. We are told that people are catching a railcar. Well, geez, railcars need to be bought.

Ms S.F. McGurk: They cancelled the first order.

Ms R. SAFFIOTI: It cancelled the first order and I think it is now going into a leasing arrangement for the C-class carriages. Again, it is all about pushing off debts and pushing off budgetary implications for future generations. That has always been our point, and as we said during the election, we cannot afford everything. We told people what our priorities were compared with the Liberal Party's priorities. The Premier said we had gone crazy and that he could afford it all. He kept that debt monster in the cage and now he has unleashed it on the public.

I want to talk about a key point in my electorate. Members on this side will stand and talk about the things that we are missing out on. Of course we are going to say that, because we say that the government has made the wrong choices. That is our key point. Of course I am going to say that the government has not built things in my electorate because it chose to build an underground bus station. Let us just use that underground bus station for \$230 million as an example. I want to talk about schools. Apparently—shock, horror—this government has not built every school required for the next 20 years. Do members know what? There are still kids being born in this state, there are still preschoolers and there will still be a need for schools. I know that the Premier does not care about it, because he will be long gone, but we need to keep building schools. During the last budget, the Minister for Education and the Treasurer announced in a joint media release that the government would build Caversham south primary school. The rapidly growing suburbs, including Caversham south, were going to get a new school. Many members on this side might recall the story. In December, I put a question on notice over Christmas—as I tend to do—in which I asked, "Excuse me? When are you going to start building this school? When is it going to be finished?" Do members know what the response was when it came in February? The government said that it had no plans to build a school in Caversham south. After the media release was put out last year in which the government said it would build a school in Caversham south, I stupidly went out and congratulated the government. Members on this side and on the other side would know that I do not do that very often. However, in that case I did. I thought, "It was in a budget media release, so it's got to be solid; it is here. They are going to build a new school in Caversham south." However, the government did not and it is not going

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to. It is not in this budget either. The government says that it is building schools and everyone should be welcoming that. We need to look after our own electorates and also highlight examples of unmet demand. Frankly, the funding for the eastside project could be cut and used to fund my school, and there would still be money left over to reduce debt.

The Treasurer talked about north Ellenbrook senior school in his dorothy dixer today. Somehow we should all be grateful because the government has committed to it and promised that it will be open by 2017. As I said, the member for Swan Hills wrote to everybody stating that it would be open by 2015, yet now the government has delayed it. There are significant space issues with Ellenbrook Secondary College and some transportables will have to be brought in over the next couple of years, yet somehow we should be grateful to the government! Building schools are the bread and butter of government. If the government cannot get it right, get out of the way. Honestly, it is shambolic that the government would announce in its budget that it would build a school, in particular Caversham south primary school, but when I ask when it will be built, the government says it has no plans to build it. That was done without any communication to the local community or the developers who are selling land on this basis. It shows how this government makes it up as it goes along.

In relation to this, I will briefly talk about a planning issue in my electorate and across Western Australia. In the last *Government Mid-year Financial Projections Statement* the government announced the expansion of the metropolitan regional improvement tax across Western Australia as part of its revenue correcting measures and indicated that it would collect tens of millions of dollars. It wrote that into the budget from 1 July this year. That was news to us, so we asked questions, such as: how many taxpayers? We asked all those basic things. There will be 22 000 taxpayers and the tax is meant to collect \$17 million from 1 July. Sure, the legislation has not been brought into this place; it probably has not been drafted, but the government has booked the revenue from 1 July. We came into the chamber and criticised the government. We launched a campaign against it, did we not, member for Albany? We launched a massive campaign against that new regional improvement tax. In particular, the member for Albany raised the issue with me all the time. As a result, I took up the issue. What did the government do? As the government had not done any analysis of the issue before it booked the revenue, it had to reverse about \$100 million from its budget. Of course, because the government has not drawn up the legislation, it will have to be postponed a year from the commencement date of 1 July 2016. The government has had to change the entire nature and timing of this new tax. That again demonstrates the chaotic and dysfunctional budget process that has not been corrected under this Treasurer. The Treasurer likes to talk tough, but he still does not have a hand on the budget. No Treasurer can sit and write in \$90 million of revenue with no idea how they will get it. Imagine signing off on a midyear review that states the government will introduce a new tax that will collect this amount of revenue and it will start on 1 July with no idea whether that will be the case. Time and time again —

Mr W.J. Johnston: What about the royalties review?

Ms R. SAFFIOTI: The royalties review is another classic example of writing in the revenue and then over the next six months, or in that case a bit longer, trying to figure out what they will do. Will they take the budget impact? What will they do? There is complete chaos and dysfunction.

Mr Acting Speaker, this is the worst budget ever. It is as simple as that. Western Australians do not deserve to be in this situation. After all these years of hard work and contributing to what was a strong economy, they are now lumbered with \$31 billion of debt and the biggest deficit in the state's history. The revenue impact has been minor. The government is not akin to a householder who has lost their job. The government has just lost the higher duties allowance; this government could not even manage that.

We saw some staggering graphs in the budget briefing. I must say it was an excellent briefing. In relation to royalty revenue, yes, it jumped dramatically in 2013–14, but that was always going to be an aberration, as it would never hold at that level compared with the situation in previous years. This government budgeted on that and made decisions on basically what was a windfall—a lotto win. The government made long-term decisions on that. We have always said that this government does not have its priorities right. Our job is to hold this government to account. Frankly, I think the public now understands that it cannot trust this government and this Premier with the state's finances. The Premier has shown an inability to manage for the future that has implications for all members in this place and, moreover, for every Western Australian—every Western Australian household, senior and business. We should be in better shape. A Premier who goes around making fun of Tasmania does not have a mirror in his house.

MR P.B. WATSON (Albany) [5.15 pm]: I rise to talk on the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015. It gives me great pleasure to talk on behalf of my Albany constituents about this budget. When I look at a budget, I look to see how it will affect my electorate. I looked at how it affects young families, the middle class, seniors, and law and order. No, they did not get looked after.

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I heard the shadow Treasurer and member for West Swan speak. An article by Jonathan Barrett in *The Australian Financial Review* titled “Generations will pay for a government that made bad decisions” states —

If Mr Topsy-Turvy got elected to government, he’d rack up big debts during good times and pull back on economy-stimulating investment during bad times.

He’d hold on to a state-owned iron ore export facility during the resources boom, and sell it after it is devalued in the bust.

He’d have a sovereign wealth fund that earns less than the interest bills on his debt. He’d wear socks on his hands.

This is Western Australia, post boom.

All key financial measures have been blown apart in the state budget, with net debt (above \$30 billion) cash deficits (above \$5 billion) and debt to revenue ratios (above 80 per cent) hitting unprecedented levels.

...

Either way, generations will be punished for a government that built too much, too quickly during the boom—and was not in the financial position to do very much in the aftermath. It got things the wrong way around. The former AAA state used to be somebody. It is in danger of becoming Mr Nobody.

Mr Acting Speaker, I am not a financial genius, but I know that when I have money and I want to buy something, I check that I have the money or I can pay it off over a small period of time. The other night, at probably one o’clock in the morning, I could not sleep and I got up—this Netflix is a great thing—and watched an old movie. The movie had this little chubby guy who was a bit of a con man. He would carry about 25 credit cards with him everywhere he went for when he needed to pay for something. That reminded me of the Premier at the moment. He will get out credit card three. He will pay with credit card five or six, but he has no way of paying them off. That is a real concern. I have grandchildren who will be up here tonight. They are three, five and nine years old and they will be paying off this debt when they go to work. It will not worry the Premier, because he will be on the farm. The Treasurer and I do not get on all that much, but I think he would be a pretty good Treasurer if he had something to work with. I think, like the rest of the government, he has had to try to do what he can with a Premier who spends like a drunken sailor. The Premier goes out and spends everything he has and then goes home and thinks about how to pay for it later.

There is the proposed sale of Fremantle port and the TAB. I want to raise a few facts about the TAB. The Treasurer said it is worth \$120 million. The federal Minister for Finance said it is worth \$1 billion. They are both on the same side of Parliament, but they disagree on that by a hell of a lot. Under present arrangements, millions of dollars have gone to the Department of Sport and Recreation. In his reply, I want to know whether the Treasurer can guarantee that that level of funding will be maintained. From August 2014 alone, the TAB distributed \$126.1 million to the racing industry, and the Treasurer said that he wants to sell it for \$120 million. In the same period, the TAB allocated \$14 million in infrastructure grants and more than \$104 million in prize money, breeders’ bonuses and participant payments that benefited regional economies. If one adds the \$40 million or more that went to consolidated revenue, considers the 6 700 full-time employees and 33 600 regular participants and that the Western Australian TAB is outperforming most other wagering organisations, there is no sensible reason to sell the TAB.

There are large racing communities, supporters and service providers in Kalgoorlie, Geraldton, Ascot, Bunbury, Albany and Esperance. They all rely heavily on the TAB for funding and infrastructure investment. The Barnett government is effectively stealing the consolidated revenue benefiting every Western Australian and the functions of the TAB have been directed into the Department of Sport and Recreation. Importantly, the reason the TAB was created still exists: racing was being bled by licensed off-course private betting operators. They were getting fat betting on racing and trotting while the industries that generated the products and races were starved of funds and near to collapse. A royal commission recommended the creation of the organisation we now know as the WA TAB. I would like to hear the Treasurer’s reasons for selling the TAB and, just looking at some of the figures I have given today, how the government will benefit from the sale if, in the Treasurer’s opinion, it is worth only \$120 million.

We have heard the Treasurer and the Premier ask us what we would have done differently and what we would not have done. We are saying that we think the government has made some wrong choices. Take Elizabeth Quay—very few in Albany will benefit from that. The football stadium will cost between \$1 billion and \$2 billion and not many people in my electorate, certainly not many seniors, will see the benefit from that.

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However, they would see the benefit of having extra nurses for dialysis machines in Albany. There are enough nurses in Albany Hospital for an extra shift and that would probably bring five people who are now in Perth back to Albany. The patients from Albany who are in Perth have to pay for all their expenses and they are away from their families. It is not as though they can just go home for the weekend or a week; they have to stay in Perth until the government, which has money through royalties for regions, can put money into a dialysis machine, for example. There are the trained nurses in Albany who were not there before. When we asked questions in Parliament about it, we were told there was not the staff. There is now that staff, but the government does not have the money. The Premier has a crack at me every day that I never give the government credit for Albany Hospital. He obviously does not read *Hansard*. When we talked about the hospital last week, I mentioned that we had a great hospital in Albany and that the people of Albany are very happy that I got it for them!

I turn to Chester Pass Road, which is an issue we have had for quite a while. Money from Main Roads was going to be allocated to it, but I think it went to the Collie highway. I can understand that, because there have been a lot of deaths on the road and it has a lot of issues, but when it is grain season, anyone driving further out on Chester Pass Road takes their life into their own hands. As the trucks go along, anyone wanting to pass will find there is nowhere to pass them. Once they go on the other lane, if they happen to go on the side, they end up in the bush.

I turn to the Albany ring road. In our second term, the Labor government built the first stage of the ring road. All the government has said about it lately is that there is money in planning. I know there will be a large cost now, but if it had been done when the Liberal–National government first came to power, there would not be the costs that there are now.

Under the Buy Local policy there are huge issues with a lot of state-owned cars in Albany because a lot of state agencies buy their cars in Perth, even though they are not supposed to, so I wrote to the minister and I was told it was being looked into, and then the same thing happened again. I have “Buy Local” written on my numberplates and it is a very important part of the economy of country towns. When money is spent in Albany, it creates jobs for people. When the state government continually ignores that policy, it costs jobs. Businesses say they will cut staff because there is just not the money there. That is a huge issue.

I congratulate the state government on continuing with the running of the Albany Entertainment Centre for, I think, the next five years. It is very exciting for Albany and the regions.

I raised the topic of netball the other day with the help of the member for Mandurah! I will read an email I got the other day from someone who I used to run against many years ago, so they must be fairly old. The email states —

I have been a volunteer for 30 years with Fremantle Netball Association (on their Executive) and I am absolutely insulted to think that I am now required to pay \$45.00 if I want to pursue a coaching career or follow the umpiring pathway. To say that they value what we are giving is unbelievable. The Association have paid my fee for a number of years—they pay for the Executive members of the Association and the Association coaches and umpires of the Representative teams that play at the Member Association Championships. I can cope with this what I can't cope with is the parents, brothers and sisters who help out at club level and they ... have decided for this year they can pay \$20.00 and the fee will be looked at in 2016. As you can imagine it will increase to \$45.00 in 2016. Some parents take on coaching etc when they don't know anything about the game because the club is extremely short of personal and they want their daughters to be able to play this great game.

Our Region the Coastal Netball Region has lobbied Netball Associations and members of parliament for support. Unfortunately some Associations think that they need to go along with Netball WA but we don't. I am sure that our Region will be thrilled with your article and you saying that the Minister for Sport needs to take her head out of the sand. Our President Yvonne Rate has tried to meet with the Minister for Sport to no avail.

This can be looked at in two ways. We can look at the fact that we will lose volunteers. They are saying that they give up a lot of time to be a volunteer anyway and they have to get a working with children check. They will say they do not want to do it. In regional areas, especially in the Kimberley and those areas, a lot of people cannot afford to pay those fees. This has to be looked at. The minister has to tell Netball WA that something has to be done because in some ways the state government sponsors Netball WA.

There is another good thing about the budget and that is the introduction at last of no-fault motor vehicle insurance. I congratulate the Treasurer for bringing that in. I am chairman of the Proudies Foundation and it is

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wrapped that this is happening. It is a shame that it cannot be made retrospective and I am a bit disappointed, Treasurer, that we have to wait 12 months, because there are another 40 people —

Dr M.D. Nahan: The problem is we have to get legislation through and it takes a while. We are looking at expediting it as quickly as we can, but honestly that is the best we can do.

Mr P.B. WATSON: That is just the feedback I have been getting, but congratulations to the Treasurer on doing that. I have seen how accidents can affect families. I know people who have had accidents in Victoria and they are still getting treatment years later and can still claim it. I congratulate the government.

Seniors will be hit hardest by the double whammy of huge increases in electricity and water charges and the cut to their concessions, especially on water and council rates.

The patient assisted travel scheme is a huge issue in regional areas. I have raised this before. Seniors, and young people, have to go to Perth for treatment. The other day a gentleman came into my office with a serious neck injury. He had had an operation and had staples in his neck. The surgeon said he could fly back to Albany, but the PATS people rang the surgeon and told him that the patient could not. The patient sat on a bus for seven hours and had hallucinations. When he got back to Albany, he had to be taken to hospital. This is a huge issue, and the main thing to do is to get more surgeons in regional areas. As I said before, it is very hard to get surgeons to come to Albany. There are a lot of fly in, fly out surgeons, but for the country people to have the same services as those in the city, more people need to be trained. It is interesting that the federal government has given money for a medical school in Midland. I think that is a great idea and I cannot understand the Australian Medical Association criticising that. I was always told that the AMA is probably the strongest union in the world and when I was on the Education and Health Standing Committee, I had a few clashes with it. I had far more clashes with the AMA than I ever had with any union people, so it was very interesting.

There is a \$73 million cut to the training budget over the next three years. We have already seen a massive increase in TAFE fees that is acting as a barrier for young people in my region to improve their skills and get better jobs. A lot of people who have been working fly in, fly out are coming back to Albany after having gone up north, earned the big money and all of a sudden are finding themselves out of work. There are no job prospects; jobs are pretty hard to get down our way now because of the influx of people. TAFE is very important at the moment. At the Great Southern Institute of Technology in Albany, 29 jobs have been cut this year. With youth unemployment on the rise, we must give our young people the opportunities they need in training to get good jobs.

TAFE jobs are not the only ones on the chopping block in Albany. The budget papers confirm that 300 jobs across the Department of Agriculture and Food will go in the next two years. This comes on top of the 500 that have already been axed. The department will soon have only a regulatory role, with no research, development or marketing. It will not be long before we see a “For Sale” sign on the department’s office complex in Albany, because it will not have any staff there. After slashing jobs in the Albany office of the Forest Products Commission, what few are left are now under threat due to the planned sale.

[Member’s time extended.]

Mr P.B. WATSON: Education assistants, who do a vital job in our schools, have also seen their jobs go. All these public sector job losses only add to the uncertainty in the Albany economy, where retail conditions are tough. After the Anzac commemorations last year, things started to pick up, with a lot more people coming to town, but shops and restaurants are still closing, and it is a real concern. Farmers have had a fair bit of debt, but they have paid it off over the past couple of years, but things are tight in Albany and a lot of businesses are struggling. The good ones always do well, but people are struggling there and we have to look at avenues such as tourism.

I congratulate the City of Albany, which has done a tremendous job with what it had over the past few years. Graham Foster, the chief executive officer, finishes on 31 July. Once Graham came down there to work, it took the City of Albany off the front page. It was previously on the front page for all sorts of reasons, including councillors fighting amongst themselves and not being able to work together. I must congratulate the City of Albany. Graham has done a tremendous job, and he will be sorely missed when he leaves. The only trouble is that he is a Sydney Swans supporter, and we have a bottle of wine on the line every time the Swans play Collingwood. Unfortunately, Collingwood beat the Sydney Swans the last time they played, and he bought me a rather expensive bottle of wine, so I hope we do not play them this year.

Mr R.H. Cook: Are you saying you can’t afford to play at that level?

Mr P.B. WATSON: I cannot afford a bottle of wine like the one he bought me last time!

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At the last election the Premier promised to keep increases to electricity and water charges at or around the rate of inflation. What happened? They will now go up by double the rate of inflation. He also said in this place a couple of years ago that state debt should never be allowed to get above \$20 billion, but next financial year it will be \$25 billion and by 2017–18 it will have blown out to \$36 billion. We will have this debt even after the fire sale of the TAB and Fremantle port, both of which he promised not to sell. However, the longest broken promise of all is the Albany gas pipeline. The Premier promised it to the people of Albany at the 2008 election, then he promised it at the last election, and said it would be finished this year—but not one shovel-load of dirt has been dug. When we are elected to government, we will put a lookout facing up Albany Highway towards Bunbury with a statue of the current Premier looking for the gas pipeline. The Premier will get the monument that he is always looking for. This is just like the next stage of the Albany ring-road, which this government seems to be in no hurry to make a start on. Despite record revenue over the past eight years, the Liberal–National government has blown the boom because it could not stop the Premier spending like a drunken sailor. This budget has no plan to create jobs, ease the cost of living for families, reduce the tax on employment that is payroll tax and pay back the debt, other than by a fire sale of assets.

I have a couple of other things here that I would like to follow up for my constituents. Before I forget, I brought a couple of fundraising tins to Parliament today for the Partners of Veterans Association of Australia, which is having its tin-rattling day on Friday, 29 May. I congratulate the ladies of the association who do a tremendous job. They are partners of veterans. Their mission statement is to improve the lives of members by providing care, support and information in participative social environments. The association aims to ease the isolation, despair and loneliness in the lives of partners of veterans through being helpful, uplifting and non-judgemental friends. Post-traumatic stress disorder is a huge issue. I have many Vietnam veterans in my electorate who suffer from it—as do some police officers. Many people in my community suffer from this terrible disease, and we have to do something about it.

I have a letter here from one of my private schools in Albany. It reads —

On 23 March 2015 DES presented AISWA with the new State funding model for non-Government schools. The model includes no increase in funding for schools as a result of Year 7 students being classified as Secondary students but reduces the amount paid to Years 8, 9 and 10 so that the extra amount can be provided for Year 7 students.

This is robbing Peter to pay Paul. The letter continues —

The proposal is that while currently Years 8 – 12 receive a weighting of 1.62 over the Pre Primary to Year 7 rate, that this be changed so Years 7 – 10 receive a weighting of 1 .47 and Years 11 and 12 keep the 1.62 weighting.

...

This approach means the investment by the State in non-Government schooling remains the same with accurate data on the impact of this on individual schools not yet provided. In total there is no real change to the amount of funding coming to the sector.

This is the case even though they are taking on year 7 students. The letter continues —

The expectation in schools was that the Year 7 students would receive the full secondary rate but when the Department of Education Services wrote to schools in October 2012 the letter did say that the funding rate of Year 7 students 2015 and beyond had not been determined. Under the proposed weightings I expect our State Government funding to fall by between \$20,000 and \$40,000 per year.

This is one private school in my electorate. The letter continues —

We had expected full secondary funding for Year 7 students and had used this in our five year budgets, a requirement for registration, so are now perceiving a loss of considerable funds and a need to redo budgets.

This is an added blow given the extremely low indexation of 1.02% for State Government funding for 2015; well below Education CPI.

The Albany Community Respite Centre looks like it will have to close. A letter written to my office states —

If the Albany Community Respite Centre closes, it would not only reduce the services available to aged and disabled members of the community and their carers, but would put additional strain on the other service providers in the area. I work for Hawthorn House, which as you know provides day centre and overnight respite as well as community-based social support for people with dementia. Many of the

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clients at Hawthorn House also access services from ACCC, so we get to see first-hand the importance of ACCC's work.

Hawthorn House and the Albany Community Respite Centre are currently the only aged care facilities in Albany providing short-term non-emergency overnight respite. Hawthorn House only has two respite beds and recently they have been booked months in advance. Besides which, Hawthorn House only provides respite for people with dementia, which means that if the Albany Community Respite Centre closes, there will be no such overnight respite available for frail elderly people and those with other disabilities. More people with non-acute conditions will have to be admitted to hospital for respite —

What will happen? It will put more pressure on the hospital system. We have this great facility that costs \$370 000 a year to run. Having the centre there probably saves the government between \$800 000 and \$900 000, but the government is saying that there is no more funding. It is not only the state government but also the federal government that is saying there is no more funding for respite until 2017. All these centres, therefore, will close. It is all right for someone to tick off a box in Canberra or in Perth, but a lot of these people are elderly, have paid their taxes all their life and have done everything they are supposed to have done. Now, in their later years, they may be looking after a husband or wife when their own health is going. I remember when my dad was getting very sick near the end of his life and my mum was really going down, too. She was looking after my dad all the time, and we made the decision that he would have to go into a hospice. He did not want to do that. He passed away that night because he did not want to go into a hospice. However, we were concerned that we would lose my mum before we lost my dad. These respite centres are a huge part of our communities. We cannot afford to lose them, especially those in regional areas. People in Perth might have two or three options but in Albany there is only one centre that looks after people right throughout the region.

I want to raise another issue. It is just a little one, but these are the issues that people raise with me as a local member; it is probably the same in the city areas. I will mention the name of a lovely lady, Pamela Liddiard, who keeps getting notices from Western Power saying —

Western Power will soon be undertaking essential network maintenance in your area.

It always does the maintenance on Sunday between 8.30 am and 2.30 pm when most people are home. She is really upset about this, and wrote to Western Power stating —

... the inconvenience of a Sunday outage is huge. Most places close on Sundays in Albany—I have overseas visitors driving towards me ...

...

Sunday is a Family day, to rest, reconnect, cook ...

And in block capital letters, she asks —

WHY DO YOU HAVE TO DO MAINTENANCE/REPAIR WORK ON SUNDAYS?

She got a letter back from Western Power telling her in effect not to worry, adding —

We will endeavour to respond to your complaint within 20 business days ...

It is now 40 business days and she has had no response. I rang Western Power about five times and was told, "Yes, we'll get back to you." It never does. Perhaps that is something the Minister for Energy can follow-up for the lady.

Another little issue is about one of my constituents who comes to Perth for cancer treatment. They stay at some place and get transport to Sir Charles Gairdner Hospital and other hospitals. They have been told by Transperth that their transport-to-treatment fares are not authorised over the bridge from Stubbs Terrace to Railway Road. They must therefore travel another two kilometres through heavier traffic, and most times they are late for their appointment. It is only a little issue, but for someone with cancer everything is a big thing. I will be speaking to the minister about that. Surely that is something we can look at.

The Albany Community Legal Centre is very upset about its funding cut. It does a great job in our community, as a lot of people in my electorate, especially at the moment, cannot afford to pay for a proper lawyer. The centre provides a tremendous service. It is concerned about legal reforms, so I hope that is something the government will look at.

Finally, this is a disappointing budget. I know that we have problems with the iron ore price dropping, but if the government does not have the money, it should not spend it.

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [5.43 pm]: I guess someone has to get the nightwatchman spot over the dinner break! I am very pleased to be able to make a contribution this evening to

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the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015. As we heard from the members for Victoria Park and West Swan, this government has presided over record revenues but delivered the worst-ever budget. Although we see the government driving up debt to an increasing level, up to \$36.5 billion, we also see the government delivering a \$2.7 billion deficit—the first deficit in 15 years. Today I want to talk about a range of health components of the budget and, if time allows, about some issues in my electorate of Kwinana.

In some respects, the health budget is not dissimilar to the overall budget—that is, it is a budget of delusion. The Minister for Health has been the beneficiary of record revenues, of extraordinary growth in the ability to develop hospital infrastructure and of growth in revenue, but he has failed to take on the challenges associated with that budget. For instance, the Minister for Health bragged the other day that the proportion of the overall budget dedicated to health had gone from 25 per cent to 28 per cent, and he described that as being a very positive feature of this government’s finances. As part of the college of health spokespeople around Australia, we all sit back and applaud whenever the health budget goes up as a proportion of the overall budget, but that has allowed this minister to delude himself that a lot of the gains made in health are because of his good work as a health minister, rather than the reality that under this health minister the inefficiencies in our health system are becoming ingrained.

The 2014–15 budget, in the description around significant issues impacting on health, stated that the 2014–15 budget continues this budget strategy around activity-based funding, with a commitment that the state’s public hospitals converge to the projected average cost of health in Australia. Under activity-based funding there is the national efficient price for delivering health services, and there is the state price. In the agreement with the federal government under the national reform agreement process, state hospitals, through a combined funding pool, will be reimbursed for the activity that takes place in the hospitals. That activity is funded at what is called the national efficient price. If a hospital manages to deliver its services for a price that is under the national efficient price, it obviously gets to keep a dividend. If that hospital cannot deliver the hospital services at the national efficient price, obviously there is a gap and the state government has a decision to make—either it allows the hospital to struggle to improve the efficiency of its services or it provides what is called a community service subsidy.

The strategy therefore that has been in place since 2013–14 is for the Department of Treasury and the Department of Finance to fund the Department of Health in this community service subsidy on the assumption that the state price for delivering health services would converge with the projected average costs associated with the national efficient price. That is a good model. It is one that all the states have embraced. It would be an effective model if the state governments involved actually took notice of it. For instance, in 2013–14, the state price for a weighted average unit of hospital services was \$5 486, whereas the national efficient price was \$5 319—so there is a gap there. We understood that there would be a gap and that ultimately the price for doing hospital services in Western Australia would come down. The community service subsidy, therefore, in that instance for a weighted average unit of hospital services was \$167. In 2014–15, we looked forward to seeing that gap narrow, only to see it grow. The way it was described in the 2014–15 budget was a little mischievous and tried to divert the public’s attention from the size of that gap. We estimate that the community service subsidy from the Department of Treasury to the Department of Health in 2014–15 was about \$380. There was not a convergence between the national efficient price and the state price; there was a divergence.

Dr M.D. Nahan: One of the reasons why is that the national efficient price was reduced further; it wasn’t a stationary target.

Mr R.H. COOK: No; that is right, because the national efficient price is largely informed by the national average price of delivering hospital services. If we are moving away from the national efficient price, and even if we are staying constant but it is dropping, hospitals in the eastern states are gaining in efficiencies but we are not.

Dr M.D. Nahan: We’re gaining but not as much.

Mr R.H. COOK: That is right. The weighted unit cost for the state price in 2015–16 has gone from \$5 540 to \$5 587, so we are increasing. The increase between the 2013–14 budgeted price and the 2015–16 budgeted price has been four per cent.

Dr M.D. Nahan: We have an inefficient system and structure relative to the other states. The biggest cut has actually been in Queensland, which is where most of the reductions took place.

Mr R.H. COOK: Is that right? The national efficient price does exactly what the Treasurer has said; it drops to \$5 123 in 2015–16. Between 2013–14 and 2015–16, it goes from \$5 486 down to \$5 123, so there is a drop of six per cent in the national efficient price. As the Treasurer observed, in Western Australia the cost of delivering

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health is increasing or we are becoming more inefficient, whereas in the other states, it is reducing. As the Treasurer will attest, that is the challenge for the Department of Health. That is the challenge that the Minister for Health has comprehensively failed to meet in his time in that role.

Dr M.D. Nahan: At the same time, we've had to fit in a very large capital build that we've committed to. Some of the inefficiencies are because of the bedding down of new hospitals.

Mr R.H. COOK: Potentially so, although, of course, one of the great claims of the Reid review was that if new hospitals are built, they should become more efficient. The point I am making is that there is a divergence between the state price and the national efficient price, not a convergence as was, to describe it in its crassest form, the deal done with the Department of Treasury in 2013–14. The Department of Treasury and the Department of Health have conceded defeat. I can see the Treasurer shaking his head, but he will concede this point. Originally, the arrangement between the Department of Treasury and the Department of Health was that the national efficient price and the state price would converge by 2017–18. Ultimately, in this budget, the white flag has been thrown up and the government is now saying that that convergence will take place in 2020–21.

Dr K.D. Hames: We were just very successful in our arguments that it wasn't a reasonable glide path, given the extra costs that we had in this state for other things such as wages in particular.

Mr R.H. COOK: But the Minister for Health argued previously, obviously just as convincingly, that that glide path was correct, because he agreed to the 2017–18 glide path.

Dr K.D. Hames: We didn't win that argument.

Dr M.D. Nahan: He never gave up.

Mr R.H. COOK: He just waited for the next Treasurer to come along. The member for Riverton is a soft touch.

The question I put to the Minister for Health is: if he could not get a reduction in the state price between 2013–14 and 2014–15 and he could not get a reduction in the state price between 2014–15 and 2015–16, why should we believe him now when he says that there will be a convergence and that ultimately the state price will come down?

Dr K.D. Hames: Because we've been very successful from last year to this year in getting the price down. As you'll see in the budget estimates, the hospital price goes up by about 4.6 per cent, I think, but our overall funding goes up by only 1.3 per cent, because it contains those efficiencies that we're bringing in.

Mr R.H. COOK: But the state price has gone from \$5 540 to \$5 587. We can discuss this to our hearts' content in estimates, but the point to be made is that we are not getting the efficiencies in our system that clearly are expected by virtue of the national efficient price reducing.

Dr K.D. Hames: But total price in health isn't just the state price per item. Anyway, we'll talk about that in estimates.

Mr R.H. COOK: Indeed, we will.

The point to be made is that the minister is not getting on top of his health budget. Although he brags that it has gone from 25 per cent to 28 per cent—in his absence, I applauded him for being so successful and growing the overall pie for health in the budget—the fact of the matter is that we are not getting the efficiencies in this system that his arrangement with the Department of Treasury demands that he get. As the member for Victoria Park observed earlier, the briefings from the Department of Treasury suggest that the growth in the health budget of \$517 million over four years that the Treasurer bragged about was simply a reflection of the fact that that glide path between the state price and the national efficient price has been pushed out to 2020–21. To add insult to injury, we will shortly also see the impact of two successive budgets from the Abbott federal government. As we discussed in this place last week, the effect across the forward estimates will be a reduction in federal funding to this state of almost \$500 million.

Dr K.D. Hames: I still don't see how you get that. We get it at three hundred and something, so perhaps you can show us your figures later.

Mr R.H. COOK: It is extraordinary that that will be seen as a good thing. I want to highlight this in the context of the Prime Minister's recent offer of \$20 million to create a new medical school in Western Australia with initially 60 new medical student places, growing to 100 medical student places by 2021. To the extent that that is welcome, that invites the question of why it is, on the one hand, giving \$20 million for these new medical school placements, but, on the other hand, ripping so much funding out of the state health system. Ultimately, pulling money out of the state health system means that this Minister for Health and his successor will have to find more money for placement places to be created for those medical students. The federal government cannot simply say,

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“Aren’t we good? We’re giving you \$20 million via the universities to train these medical students.” The fact of the matter is that there are fewer resources to bring those students up to our workforce capacity to make sure that they can continue to drive and deliver health services.

I want to speak for a moment about the asset and infrastructure program in health. Obviously, we are seeing now the fruition of Fiona Stanley Hospital and the new Perth Children’s Hospital, even though its opening has now been delayed. I want to remind the government of two commitments it made—firstly, the commitment it made to the people of Western Australia around the redevelopment of Royal Perth Hospital; and, secondly, the commitment that this minister made to make sure that we saw the development of a new, if not greatly refurbished, Quadriplegic Centre. We heard earlier this year the dreadful story of a young man who was badly disfigured.

Sitting suspended from 6.00 to 7.00 pm

Mr R.H. COOK: Before the dinner break, I was talking about some of the assets or infrastructure development in the health area. I want to highlight in particular two areas where I think the Minister for Health has completely dropped the ball. One area of course involves the Quadriplegic Centre. This centre was the subject of a significant amount of media interest earlier in the year because, as we now know, a young man was very badly burnt as a result of faulty equipment at that centre.

[Member’s time extended.]

Mr R.H. COOK: I reminded the media at that time that the Quadriplegic Centre in its 2013–14 annual report stated —

As commented in previous reports, the Quadriplegic Centre’s accommodation assets have now passed the end of their effective economic life and in some respects, safe use. The refurbishment and selective replacement of Quadriplegic Centre accommodation remains the single most critical objective of the Board of Management.

As I said, this came to light because of the horrific burns that that young man suffered as a result of faulty equipment. At the time, the minister said that he had taken no fewer than two business cases to government to seek funds to replace or refurbish the Quadriplegic Centre. I think the minister was sincere in his desire to make sure that he secured the funding for that centre. In fact, I fully expected it to be front and centre of the infrastructure schedule of the health budget but I was shocked to see that it was not in there. Obviously, I would like some clarification from the government on why it has failed to act on this very important issue. We know that people like these glamorous projects, these big hospitals. They are obviously very important to the community but they are very easy projects for ministers to get underway because they are so big and so popular. The measure of the quality of a government is its capacity to do things for those people about whom we do not often hear: those least able to fend for themselves. It is particularly disappointing that the funding has not come forward in this budget.

In question time today the minister all but surrendered any hope that the government will stick by its election commitment to redevelop the Royal Perth Hospital. Only last year the minister was still bragging that he had three full years to go and that he had not broken his election promise, despite the government saying at the 2008 election that it would redevelop the hospital, and then repudiating that promise on the basis of being able to do that in its second term if it wanted to. Today, the minister has admitted that that redevelopment will not go ahead. I know that is of particular concern to your constituents too, Mr Acting Speaker (Mr I.M. Britza). The minister owes the people of Western Australia an apology for the way he has slipped and slide on this particular issue —

Dr K.D. Hames: Slipped and slide?

Mr R.H. COOK: “Slid” on this particular issue. It is unacceptable that the minister can make such a key election commitment and then walk away from it without an explanation beyond saying that it is beyond the financial capacity of the government. The failure to manage the government’s finances properly is not an excuse for breaking an election promise. The people of Western Australia are owed an explanation and an apology from this minister for his failure to deliver on this key election promise.

One of the other issues that we will raise in the estimates committee is how the minister has resolved the difficulties that the Harry Perkins Institute of Medical Research currently faces with a question mark over the research infrastructure funding. We know that this issue was raised in the media recently and we know that the government said that it was prepared to have another look at this issue to make sure that the Harry Perkins centre did not have its wings clipped by important infrastructure funding not coming forward for that facility. As we know, big centres like Harry Perkins are incredibly important to make sure that we continue to advance medical

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research in Western Australia. They are important for not only improving clinical services, but also attracting the youngest and best clinicians, consultants and specialists because they want to practise in a state with advanced medical procedures and to have opportunities to extend their research careers. This centre is incredibly important. Recently the minister and I had exchanges in this place about the amount of National Health and Medical Research Council funding that we attract in this state. It is only through the ongoing work to support and fund medical research at a state level that we will continue to receive a fairer share of the National Health and Medical Research Council funding.

Dr K.D. Hames: Were you shown the figures that showed I was right?

Mr R.H. COOK: I saw the briefing note—I think I might have it here. I am keen to have a look at them because the last round of funding announced by the NHMRC was for Victorian medical research projects. It might have been like that because they were the big projects and, therefore, they were part of the announcement —

Dr K.D. Hames: They got the most funding by far. We had a significant increase to that 7.6 per cent, which is the advice that I was given.

Mr R.H. COOK: Nevertheless, medical research —

Dr K.D. Hames: Is the member going to apologise to me now?

Mr R.H. COOK: I was about to say that nevertheless, medical research is an area that the minister and I both care about and it is good to see that area improving, but it is only through continued support of centres such as the Harry Perkins centre that we will continue to have the necessary infrastructure that supports medical research in this state.

I want to turn briefly to Aboriginal health, an area in which this government has performed particularly well in the past. I dare say, now that funding for the Closing the Gap program is a distant memory for this state, this area will start to slip. I raise this point simply to signal that we will look closely at this area in the estimates committee. In 2013–14, the government reported that it had set aside \$31.8 million for what it called the Footprints to Better Health Strategy, which was the government's branding of the former Closing the Gap program. In this budget, the government has referred to an allocation of \$49.9 million spread over a three-year period as the follow-up funding to that strategy. By my estimation, if that funding is averaged out over three years, it will actually decrease to funding of \$16.6 million in any particular year; or, under the Aboriginal health program, half the amount of money that has been provided to that particular area. We have a lot of work to do in the area of Aboriginal health. Small gains have been made but a large amount of work still needs to be done. This is no time for us to take our foot off the pedal or to blink in relation to funding important Aboriginal health programs.

At this point I would also seek clarification from the Minister for Health about the progress of the Holman report, which is looking into the effectiveness of these programs, and whether D'Arcy Holman has submitted his report and whether the minister will be making it public.

Dr K.D. Hames: Yes, he has, and I think we have planned to make it public. I will follow that up.

Mr R.H. COOK: Thank you, minister.

I would like to spend the last five minutes on an issue that has had some attention today—that is, Healthway and its future. The minister gave notice today that he will bring forward legislation on this issue. In his announcement today there were some disturbing trends, and we look forward to seeing that legislation. To refresh members' memories, Healthway got particular notoriety in February when the Public Sector Commissioner produced a highly critical report of it and the way it managed its hospitality, or what were essentially promotional complementary tickets by virtue of Healthway sponsorship arrangements. The Premier, in particular, was highly inflammatory and accused the Healthway board and its staff of gross mismanagement of certain things and abuse of process. Today the minister has announced that he will bring forward reform legislation. That reform, I might add, is many years overdue following a report into the Tobacco Products Control Act in 2011. What is particularly disturbing about today's announcement is the way that the minister has back-pedalled from his earlier assurances that he gave the public health community that the new board of Healthway will continue to act independently of political interference and will be given protection from politicians seeking political limelight.

One of the great strengths of Healthway is that it has had public help as its primary focus, and it had great results in that area. An evaluation by the University of Western Australia into Healthway gave great credit to Healthway for the work it had done and stated that the percentage of people taking positive steps towards their health was at an all-time high in Western Australia, and that that was due in large part to the great work Healthway had done.

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But the minister has now said that he wants to model Healthway upon Lotterywest and the way that Lotterywest manages its funds. If what we saw at the Vasse by-election is an example of Lotterywest at its best, Healthway is in trouble. What we saw there was nothing short of an abuse of the Lotterywest grants process in which funding for a particular project in the area in which the Vasse by-election was held was brought forward. Suddenly in the middle of an election campaign, the Liberal Party candidate, who was not even a member of Parliament at the time, was given the opportunity to hand over a Lotterywest cheque. That was a gross mistreatment of the way that these things are supposed to work, yet the Minister for Health has said that this is the future for Healthway and that we are going to see members of Parliament grandstanding and handing over cheques in a way that detracts from the public health focus of Healthway. As we have seen in the weekend's media, the issue upon which this was predicated was the so-called gross abuse of hospitality, whereas we now know from that article that Healthway was small fry in relation to these issues and we can now expect the Premier to stick by his words and act on those other organisations.

DR A.D. BUTI (Armadale) [7.14 pm]: I rise to speak on the Appropriation (Recurrent 2014–15) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015. I would like to split my contribution into a number of subheadings. The first is opportunities, costs and priorities.

[Quorum formed.]

Dr A.D. BUTI: It is great to see a crowd arrive as I start my speech. I know they all want to listen.

Mr R.H. Cook: You will hold them, too.

Dr A.D. BUTI: The question is whether I will be able to keep their attention. I doubt that somehow.

As I was saying, I would like to address these bills under a number of subheadings: priorities, costs and opportunities; whether this budget will reduce the debt and deficit we are facing; the sale of certain assets; pay a compliment to the Treasurer and government on a couple of aspects of the budget; and the areas that have been missed in this budget that cause me much alarm.

The Treasurer has a PhD in economics and knows very well the cost opportunities—that is, when a person makes a choice, what opportunity is that person forgoing. For example, when a person buys three televisions, that person makes a decision to spend money on three TVs rather than on a trip to Rottnest. There is no doubt that the budget has the Treasurer's fingerprints on it, but he works under the incredible barrier of the Premier's greater footprint of six years in government. Let us look at the examples. The government asks the opposition what it would do, and says, "You say that we have debt and we also have a deficit but you want X, Y or Z." That comes under the issue of opportunities, costs and priorities. Most of us have children and they always want more than is available. It is like a child who goes overseas on a budget of, say, \$10 000, but keeps ringing home asking for more money. A parent might say that there is no more money, but then take out a loan because their child is desperate because they have spent all their money in the first three weeks taking business class flights and staying in first-class hotels rather than hostels. The child has spent the \$10 000 and the parents have to get a loan to give the child another \$3 000. The child then spends that, and the parents take out another loan for another \$3 000, so they incur debt on debt. In addition, of course, is the interest rate component of that debt. That is what the government has done. From the time it was elected in 2008, and for a number of years after, there were boom times. Money was coming in quicker than the government could think of ways to spend it. Perhaps that is not true, because we now know that it spent more than it had. It is all right for the Treasurer and others in the government to now say that the iron ore price has come down. It may be true that no-one could have expected that it would come down as quickly as it has, but the Premier, the Treasurer and everyone knows that in a state with an economy that is based on resources, there will be ups and downs. There was no way that the boom times would last forever. Good management would ensure that the government put some of that away for those times, but this government did not. It was led by the Premier; he wanted to spend, spend, spend.

I heard the Treasurer on radio last Friday talk about the need to invest in important infrastructure such as schools and hospitals. I do not think it could be argued that we need to invest in those important infrastructures, but then the Treasurer talked about Elizabeth Quay and the football stadium. The Treasurer was not overly convincing in his argument that they were necessary. I think he said that they were not necessary but they went to improving the beauty of Perth, and that was important. It may be important, but it is like a child going overseas. He or she wants to visit another city and has to buy another airline ticket. It may be important for their education but it is not essential. There is only so much money in the kitty. The whole bit about economics is that there is always an unlimited demand, but a limited supply of resources. There is an opportunity cost and an issue of priorities. Unfortunately, those in cabinet did not stand up to the Premier in the early years. That is why Western Australia now faces incredible debt. After the Premier said he would never preside over a budget that went into deficit, we

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now have both. It is not a small deficit; it will rise next year. That is because hard decisions were not made. The Premier wanted it all.

Essential investment in certain infrastructure was needed, but then there were projects that were not needed. I refer to the football stadium. The Premier went for the most expensive option. I thought the government would look at the situation; that is, how much money the government had and it would work it out. I do not think a cost-benefit analysis has been done on the football stadium.

Ms S.F. McGurk: We do not know how much it will cost.

Dr A.D. BUTI: We do not know how much it will cost. The Premier drove over a Swan River bridge, saw Ascot Racecourse and thought that would be a great place to put a footy stadium —

Mr J.E. McGrath: Belmont.

Dr A.D. BUTI: Belmont Racecourse, sorry. The Western Australian Turf Club rejected the offer, which may have been a silly move. The Premier then looked at the other side of the road. He decided that is where he wanted to plant the new football stadium. The cost is not justified. In the end it will be a beautiful looking stadium, no doubt, but one cannot always have a Rolls-Royce. I have dreamt of having a Rolls Royce since I was a little kid but my finances do not allow me to have one. I will not be retiring on the superannuation that the health minister will, so I am unlikely to be able to afford a Rolls-Royce. Choices have to be made. The Treasurer is very well aware of this. This is the whole issue of the study of economics that he has devoted most of his life to, which is making choices. There is also an opportunity cost. We do not know the cost of the football stadium; it will be quite substantial. When it is actually built, how many people in the community will benefit? We definitely needed another stadium. The current stadium is definitely not up to par—I do not think many people would disagree with that—but there were other viable, cheaper options. Is it 60 000-seat capacity?

Mr J.E. McGrath: Sixty thousand.

Dr A.D. BUTI: It will be interesting to see what happens to West Coast Eagles' membership, member for South Perth, because a lot of people who have membership of the West Coast Eagles today do so because they want a seat at the Subiaco stadium. They will not need to do that when it goes to the new stadium. It will be interesting to see how the football clubs fare as a result of that. However, that is beside the point.

As a result of the government's choices, it has not allowed the finances to be available for important issues. I do not want to focus on my electorate for the whole speech. Two projects are desperately needed in my electorate. Cabinet knows this, because members were out in my electorate about a month ago. They of course would have received a briefing on the need for a justice centre—a new courthouse and police complex.

Dr M.D. Nahan: And the school.

Dr A.D. BUTI: Yes. My electorate in particular is in desperate need of a new courthouse.

Dr M.D. Nahan: We recognise that.

Dr A.D. BUTI: Yes. I asked one of the Treasurer's predecessors, Hon Christian Porter, the Attorney General and Treasurer at the time, "When the Attorney General is speaking to the Treasurer next time, can he convince him of the need for the justice centre?" He said, "I think that might be harder than you think"! Of course that is necessary.

Another issue is Denny Avenue in Kelmscott, which the Minister for Transport is very well aware of, as is the Minister for Planning. The Metropolitan Redevelopment Authority has jurisdiction over part of the land that is needed to try to alleviate that problem. Those two projects in my electorate are in desperate need. A number of other projects in my electorate need attending to, but one has to make priority choices. If I had to decide which were the most important, they would be Denny Avenue and the justice centre. Once again, they are missed completely in this budget.

The Treasurer stated in the radio interview that he is a deficit hawk. If one looks at the history of the Treasurer as an academic and a public commentator, he definitely is a deficit hawk. There is no doubt. But one would have to query that in government. He is working under the hurdles of the free-spending Premier. In trying to reduce the deficit and the debt, the only significant measure in this budget that will go some way to doing that—one has to wonder if this was the appropriate way to go—is the public sector wage freeze. That will have a significant role to play but its cost may be quite significant. Once again it is the low to middle-income earners who are being asked to shoulder the greater responsibility. Much of the revenue measures in this budget relate to increases in utility charges next year and in the following years. That will impact significantly on low to middle-income earners. Of course low-income earners have less opportunity to absorb that into their budgets.

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The issue about Keystart is interesting. It has been a great policy, but now of course the cost of Keystart will increase. That has to be questioned. A couple of weeks ago there was a loan bill before the house for another \$8 billion. It is not unrealistic to think that Western Australia's debt, by the end of next year or the next financial year, will be up to \$38 billion or \$39 billion.

[Member's time extended.]

Dr A.D. BUTI: The interest on that will be phenomenal. At the moment government debt is about \$30 billion to \$31 billion. It is not unrealistic to think that it will go up to the high 30s. On an interest rate repayment of around 4.63 per cent, the interest bill per year is \$1.435 billion. That is just to pay the interest—\$1.435 billion interest per year! Do members know what that adds up to? This is where we look at opportunity cost. To pay that interest, we would have to forgo building Fiona Stanley Hospital. Each year, it costs about that much to build a Fiona Stanley Hospital. It costs that much to build 29 high schools or to finance two light rail routes including construction of rolling stock; or, if one wanted to, purchase 393 new rail carriages. With that money the government could guarantee the re-employment of education assistants and other key educational workers, or it could be used to fix the \$1.4 billion shortfall in the budget for local government roads and bridges, or it could be used to finance the \$800 million backlog of maintenance work on the state road network based on the Auditor General's report of 2011, although the additional money received from the commonwealth will assist with some of the costing of the road projects. By the inability of this government in its first six years to rein in its spending on non-essential projects, such as Elizabeth Quay and the football stadium, we are racking up a phenomenal debt; a debt that will lead into at least \$30 billion, but maybe into the high 30s that will result in an interest bill per annum of around \$1.435 billion. I have just outlined what we cannot build as a result of that.

The Treasurer was correct when he said in a radio interview that investment in capital works for education is essential. The government will be forgoing 29 new high schools. The government has now set on an agenda of selling assets. None of those asset sales will significantly reduce the debt, or even the recurrent deficit—none of them. I will leave it to the member for Fremantle in her contribution to outline the issue of the sale of the port of Fremantle, but that is actually a profit-making exercise. The government will sell it, reduce the debt by a minimal amount and forgo the revenue that it would have received if it had remained in government hands.

I refer to the issue of the TAB sale. When the member for Wagin was a minister, he said that he would agree to the sale of the TAB only if he thought it was in the best interests of Western Australians, particularly the population in the regions of Western Australia. I think the member for Belmont is opposed to the sale of the TAB, as she has expressed those views in this house. I know that she is under pressure in her own electorate. The member for Murray–Wellington has, I believe, commenced a petition in his electorate against the sale of the TAB. Did the member for South Perth know that? There are members on his own side that do not agree with him. The Premier said that if we were starting all over again, governments would not be in the business of betting and the TAB. Of course, the government receives massive revenue generated by Crown Casino, which will only increase with the building of a football stadium on the footsteps. One of the other arguments I have against the football stadium being built there is that it will increase the propensity of people to go to the casino to gamble. We will have 30 000 to 40 000 people go and see a game of football, then off they will go to the casino. I do not think that is a very good public policy move. The issue about the TAB is particularly important in the regions. It would be interesting to see whether National Party members will stand up to their bigger brothers in the alliance.

Mr P. Papalia: They are the poodles.

Dr A.D. BUTI: They are the poodles, yes, but it is an alliance.

I know that the member for South Perth would understand that the racing community is very important in certain regional areas such as Kalgoorlie, Geraldton, Bunbury and Albany, and the TAB has provided funding and infrastructure in those communities. There is no doubt that that is the case. Once the TAB is sold, it is highly unlikely that that will remain the case. The member for South Perth may say that conditions will be put on the sale of the TAB to ensure that the private operators still contribute to the local community. That will only reduce the price that the government will be able to ask for the sale of the TAB. It will reduce because it will not be as profitable if conditions are to be imposed on potential purchases —

Mr P. Papalia: The more conditions you set, the less it is worth.

Dr A.D. BUTI: That is exactly right.

The Treasurer has stated that he thinks that the TAB could be sold for about \$120 million.

Dr M.D. Nahan: No.

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Dr A.D. BUTI: The Treasurer has not stated that?

Dr M.D. Nahan: The journalist got it wrong. That is the current payment to the industry from the TAB.

Dr A.D. BUTI: So that is not what the Treasurer thinks?

Dr M.D. Nahan: No, it's not.

Dr A.D. BUTI: Is the Treasurer able to tell us what he thinks it will be sold for?

Dr M.D. Nahan: No.

Dr A.D. BUTI: No? Okay.

Dr M.D. Nahan: The journalist tried hard, but actually 120 was the annual payment of the TAB.

Dr A.D. BUTI: I must say I thought it was incredibly strange that the selling price was going to be the annual contribution of the TAB.

Dr M.D. Nahan: We wouldn't sell.

Dr A.D. BUTI: Yes. But the point is that a contribution of \$120 million is quite significant, and there is around a \$40 million contribution that the TAB makes into consolidated revenue. When the member for Wagin was the Minister for Sport and Recreation—an outstanding minister, I think —

Mr J.E. McGrath: And racing and gaming.

Dr A.D. BUTI: I am not worrying about that at the moment; I am just worried about sport and recreation.

When the member for Wagin built the new Western Australian Institute of Sport High Performance Service Centre, and there was an issue about whether it would receive funding, I was led to believe—the member can correct me if I am not right and so can the Treasurer—that about \$4.6 million came from the TAB towards financing the high-performance centre.

Mr T.K. Waldron: No; none.

Dr A.D. BUTI: That is wrong?

Mr T.K. Waldron: Yes, that is wrong. It came from government and consolidated revenue.

Dr A.D. BUTI: It came from consolidated revenue and the TAB puts \$40 million roughly into consolidated revenue per year.

Several members interjected.

Dr A.D. BUTI: I am glad it put \$40 million into consolidated revenue.

Several members interjected.

Dr A.D. BUTI: Exactly; it could go to anything; in other words, it goes into projects that the government finances.

Mr J.E. McGrath: Yes.

Dr A.D. BUTI: Alright. Maybe it was not the WAIS High Performance Service Centre, but it was something that the government needed to finance. That is going to go. I would bet members that any contract that is signed for the sale of TAB will not have an open-ended contribution to be made by the purchaser forever. I bet that will not happen. If the government does that, the price will be pretty small.

Dr M.D. Nahan: When the Queensland one was privatised and renewed the contract with the purchaser, it gained a contribution equivalent to ours, relative the size of its industry, going on how many years?

Mr J.E. McGrath: Twenty-five years; \$4.5 billion, plus an infrastructure contribution.

Dr A.D. BUTI: That is about as long as the Serco contract with Fiona Stanley Hospital. That is not bad. We will see.

The fact is that the sale of the TAB with all of those conditions will reduce the value of the TAB or the attractiveness to any potential buyer. It will have very little effect in reducing the debt. The TAB does not cost the government anything. What does the TAB cost the government?

Mrs G.J. Godfrey: Nothing.

Dr A.D. BUTI: Nothing; that is right, member for Belmont. It brings a net income to government. It does not cost the government anything, so it is doing nothing to reduce the debt and nothing to reduce the deficit at all. The member for South Perth can shake his head; I would like to know how it actually is an impost on

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government. It is not an impost on government. The Premier also in the last 12 months has changed his position a number of times over the sale of the TAB. It is very interesting to note how the member for South Perth has done a 180 on this from being at one stage —

Mr J.E. McGrath: The world has changed. I don't live in a treehouse oblivious to what is happening out there. The world has changed in the last seven or eight years.

Dr A.D. BUTI: Yes, it definitely has. We have gone from a \$3.8 billion debt to a debt of over \$30 billion! The member for South Perth is definitely right: it has definitely changed and not changed for the better. However, I have very little time left.

I want to congratulate the Treasurer on the third party no-fault insurance scheme. That is a great achievement of which the Treasurer can always be very proud. Whichever other issues we might criticise him for, that is something that is very long overdue. Congratulations in respect to that. The additional money that has been put into suicide prevention is a very good move. My time is running out, but that brings me to —

Dr M.D. Nahan: Member, did you talk about option 3 on the no-fault? Did you look at that? We retained our common law rights. We could have chosen not to do that. What is your view on that?

Dr A.D. BUTI: I think that is definitely the correct move, although that is a personal view because I am not sure that is my party view. Okay?

Suicide is an epidemic. I think I have mentioned before that if people take a journey on the train between Perth and Armadale, they will see the number of memorials to people who have committed suicide, who generally are young people. A few years ago, there was a spate of suicides in Roleystone. That appeared to be connected to the vet who had engaged in sexual abuse of a number of teenagers. It is an epidemic. So I congratulate the government for finding money for suicide prevention. I recommend people read a book by Jennifer Michael Hecht called *Stay*. It is a history of suicide and the arguments against it. Unfortunately, I do not think I will get time to quote from it, but basically she makes the argument that we need to change our whole thinking about it; not that people encourage suicide, but we need to drum into people that the cost to the person, obviously, because they die, and the cost to the community that they leave behind, is phenomenal, and we need to change it. She wrote this book because two of her friends had committed suicide. It is a shame that I will not get time to talk about this book, but I do recommend it. She talks about how there was always the religious prohibition against suicide, because it was considered to be against God's law, but as we have moved to a more enlightened time, and we have philosophers like the Scottish philosopher Hume, who talk about how people have the right to kill themselves if they want to kill themselves, we need to change our thinking again. The statistics show that if a parent commits suicide, there is a 25 per cent chance that one of their children will commit suicide. I congratulate the government on putting money into this. Neale Fong, who is chair of the government's suicide prevention committee, is an outstanding person. We need to look at some deeper philosophical issues with regard to suicide.

I am incredibly disappointed, Treasurer, that I see nothing in the budget on domestic violence or family violence. There might be some increase in funding, but it is very little when we look at the epidemic in that area. There has been something like a 77 per cent increase in family violence and domestic violence reports to the police. I know there is an increased tendency to report, but there are still many incidents that are not reported. It is great that the Treasurer has found the money for suicide prevention, but not to find the money for the sufferers of domestic violence, I think, is —

Dr M.D. Nahan: We have expanded significantly, by over 11 per cent, our expenditure on child protection and family services.

Dr A.D. BUTI: That is right. But child protection, though, is really as a result of domestic violence—or much of it is.

Dr M.D. Nahan: Yes.

Dr A.D. BUTI: That really does concern me. At the last election, the government made a commitment to utilise GPS tracking for certain violence restraining order offenders. Where is that happening? Nothing has happened. The government does not seem to be progressing that. I hear nothing. The Minister for Police is right when she said she is not the only person responsible for the family violence portfolio. But we are hearing nothing from the Minister for Corrective Services, the Minister for Police, the Minister for Child Protection or the Attorney General on that issue. This government stands condemned for remaining basically silent on the issue. I urge the Treasurer, in his framing of next year's budget—he has done some good work on the suicide issue this year—that he really needs to address domestic violence. At the national level, that is becoming much more prominent. I think the Prime Minister mentioned something on the weekend about monitoring. So there is no reason why

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this government should not look at trying to address this issue, because it is incredibly important. I really find that strange, when we consider the fact that two women per week in Australia are killed by a partner. That is more than the number of people who die in Australia from terrorism, yet we do nothing about it. Something desperately needs to be done in that area. I really find it strange that in this budget the government has looked at suicide but it has not looked at the issue of family violence or domestic violence in any significant way. The Law Reform Commission report into domestic violence came out last year. The Attorney General has mentioned that he will bring in some legislation later in the year, but we do not know when, and we do not know what will be in that legislation. That matter needs to be also considered urgently by the Attorney General. I find incredibly surprising the silence of the government, particularly the three or four ministers who have particular roles in domestic and family violence, when we look at the epidemic—the crisis—that we have in family violence in Western Australia and Australia.

MR I.C. BLAYNEY (Geraldton) [7.45 pm]: I rise to speak on the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015. This year has seen us seemingly adopt the position of those opposite, and vice versa. Our Treasurer seems to have become a born-again Keynesian, and those opposite, Friedmanite or Thatcherite. The government is defending wage settlements with its employees that are seen to be too generous from criticism from the party that was spawned by the labour movement and whose affiliated unions are these days strongly populated by government employees.

By its excessive criticism of the government's borrowings, is the opposition suggesting that the government should adopt a slash-and-burn approach to bring the budget into balance? David Cameron in the United Kingdom imposed cuts across the board of 20 per cent upon coming to office. Is that what the opposition would advocate? How many government employees would find themselves without a job? Such an approach would greatly exacerbate any slowdown. It is all a bit confusing and no doubt will once again cause a significant section of the community to switch off.

The run-up to the budget, and the economic conditions that have led to the deficit, were not foreseen by anybody. I will give members an example. As a part of my committee's work on floating liquefied natural gas, one member questioned a business case for comparing FLNG with the onshore processing of natural gas and queried the price of oil in the company's figures, which was at the \$80 a barrel mark. At the time, oil was comfortably over \$100 a barrel. Within 12 months, it was around \$40 a barrel. The company does in-house work, but it also uses the best advice and consultancies in the world, yet it was horribly wrong. Predicting the price of iron ore is just as difficult. It seems to me that nearly every company got this one wrong.

As a government we are rightly proud of our record in education and health. I have no doubt that Western Australia has the best educational and health services in the country. Both have gained more funding this year—education by 6.5 per cent and health by 4.6 per cent. Mental health is an area that the government has concentrated on since coming into office, and our programs are further extended in this budget. I look forward to the solution to the Geraldton Hospital situation in the near future, and likewise I hope that the anticipated expansion of Wandina Primary School will be in the next state budget.

I now turn to asset sales. I do not have a problem accepting the sale of an asset if the rules that underpin its pricing into the market and the systems that allow negotiations for those wishing to access it are fair and reasonable. This is at the core of the problems around the rail network now leased by Brookfield Rail. The code is poor, and this can be seen by the much more effective and open access rules on the east coast. Thus, access to Fremantle port can be just as fair tomorrow under a private lease as it is today, so long as the rules are appropriate. A privatisation like this may make it easier to allow a second, privately-built port to be built to service this region.

Another area I would suggest is worthy of consideration is the sale of the poles and wires of Western Power, once we have examined how the sale has gone in New South Wales, and once the access and cost-setting arrangements have been worked out properly and fairly.

Another change I would suggest is worthwhile would be to encourage the Royal Agricultural Society to move from its existing premises in Claremont to Midland—a part of Perth that still has a significant rural connection. The Claremont site can be redeveloped, probably mostly for housing. The land, I understand, is actually owned by the Royal Agricultural Society. This is not a land grab; it is simply asking the Royal Agricultural Society to move to a more appropriate location and use the Claremont site for a more appropriate purpose.

Last year, I advocated moving the Department of Agriculture and Food to Northam, along with all the education in the areas of agricultural science and farm management into a new institution. I acknowledge a reasonable number of staff have been moved from Perth to Northam, and I would like to see that continue. It will be a useful step in the development of Northam as a new regional city.

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Before the last election, the opposition suggested moving the Department of Local Government and Communities to Albany. That is a good idea and it should be done. Similarly, we should decide to shift a government department to Kalgoorlie, which I suggest should be the Department of Mines and Petroleum, and to Geraldton, which should be the Department of Fisheries. Country people are always told that they can rely on electronic communications to replace face-to-face contact, and it is time we recognised that some degree of decentralisation can be achieved by placing departments in regional cities. I think moving the Department of Parks and Wildlife to Bunbury shows that it can be done, and it is an achievement that our government can be very proud of.

The government's royalties for regions program continues to do valuable work in the bush. The mid west investment plan will put \$43 million into valuable projects in the midwest. I look forward to a couple of long-awaited projects being announced next week. I appreciate the close working relationship I have with the Mid West Development Commission in Geraldton. In a similar vein, our party advocated aligning government department boundaries in 2005. I think aligning them along the same boundaries as the development commissions is a logical step that will make for better, more efficient government.

I recently visited the Middle East with the Speaker, and I was interested in our welcome in Oman. During our time there, we met government minister His Excellency Dr Fuad bin Ja'afar bin Mohammed al Sajwani. Oman is developing its agricultural and fisheries sectors and is keen to work with Western Australia in these areas. Oman and Western Australia could develop a long-term, friendly and productive relationship, and I would encourage that in any way I can. Western Australia was involved for quite a number of years in developing in Libya agriculture similar to ours. We have significant experience over many years working in this area, and I would like to see the intended Northam institution eventually play a significant role in international agricultural development.

Although the headlines flowing from this budget are all about debt and deficit, there are some good innovations that show the government is pursuing innovation as hard as ever. The adoption of a no-fault insurance scheme will make an enormous difference to families impacted by a member who has been catastrophically injured in a car accident. My only regret is that the scheme cannot be implemented immediately. It is sad to think that some people will be left under the old laws, despite our commitment to the new scheme.

Since the last state budget, the 330-kilovolt line to Three Springs has been completed. I am interested to see what developments come in this area in the future, and whether they include a new gas-powered power station in Geraldton and/or the extension of the 330-kilovolt line to Moonyoonooka and ultimately Oakajee. This budget contains the first commitment of \$11 million to start the land purchase for the Oakajee–Narngulu infrastructure corridor—ONIC—a development I am very happy to see get underway. There is an investment of \$7.5 million for the Murchison Radio-astronomy Observatory and \$2.2 million for Batavia Coast Marina. I am happy to see progress on the development of Batavia Coast Marina stage 2. It will be an exciting development in the City of Greater Geraldton.

There are valuable housing initiatives in the budget. I accept the logic of giving the first home owner grant for new houses only. Last year, it was estimated that the changes would add 600 houses to stock, and there will be more housing stock as a result of this change. This year, we have committed \$560 million to provide 1 000 dwellings to reduce the priority list by half in the next two years. We are on track to meet our commitment of 20 000 houses by 2020, and that is a record we can be very proud of.

Mr Speaker, there are many things we can point to in this budget that show that the government really cares about people, including electricity subsidies of \$447 million, water subsidies of \$567 million, transport subsidies of \$800 million, concessions to seniors of \$380 million, and schemes such as the hardship utility grant scheme of \$9.7 million for people who cannot pay their power and water bills. Every budget is a balancing act of what can be funded and what cannot and what are the highest priorities. In the circumstances of a difficult year for commodity prices in an economy driven by them, I think this is an incredibly fair budget.

MR J.R. QUIGLEY (Butler) [7.54 pm]: It was with great pleasure that I accepted an invitation to a private home last week, where, around the table, there were a dozen of Perth's leading businesspeople.

Mr P. Papalia interjected.

Mr J.R. QUIGLEY: They were.

There were chief executive officers and managing directors of some of Western Australian's biggest and most successful companies. It was the night before the budget was released. Of course, they are all busy in their own bailiwicks dealing with the situations within their own companies, but as we went through a brief overview of and predictions for the forthcoming budget, which was to be handed down the following day, I explained that not

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only would there be a deficit way over \$1 billion, but also the week before the government had brought a bill to Parliament to enable it to borrow another \$8 billion to pay recurrent expenditure. These chief executive officers and chief financial officers were flabbergasted. They asked me, “What about Labor? Would it run the state like a business?” I said that it would not run it to ruin like the Barnett government is running it to ruin. They were aghast not only that the deficit would top \$1 billion—in fact, it is \$1.3 billion—but also that statutory provision was being made to borrow another \$8 billion that is not to invest in income-producing assets but to pay the ongoing monthly expenses of government and will soon be eaten up. They were just astounded.

I told them that this situation was predictable. It was predicted by former Under Treasurer John Langouant, who wrote to Premier Richard Court to warn him about the profligate spending and lack of fiscal discipline of his then minister Hon Colin Barnett—who is now the Premier—and urged the Premier of the day to do something about it. After he lost the 2008 election, the former Premier Hon Richard Court, with those words of warning from that infamous letter written by Mr Langouant to him ringing in his ears, was prompted to go with his father and Julie Bishop to the Weld Club to plead with her to return from Canberra to save Western Australia from Hon Colin Barnett. This was all not only predicted by Treasury bureaucrats, but also by the former Under Treasurer who could see that if Hon Colin Barnett ever became the leader of the state, we would be run to rack and ruin. Here we are as the mining boom is slowing—a lot of ore is still being produced—when revenues, as the shadow Treasurer pointed out today in his contribution to the budget debate, have been the highest in the state’s history, and we have been presented with a budget that shows for this year that there will be a \$1.287 billion deficit and projections that by the end of this government’s term debt will rise to well over \$30 billion.

Whilst the Premier scratches around desperately trying to build his legacy, the Labor government erected a statue on St Georges Terrace outside Bishop’s See to honour the legacy of former Premier Hon Sir Charles Court and all that he did for this state. This Premier was desperate to build his own legacy and the legacy he has built is one of debt and deficit. This is what he will be remembered for—debt and deficit. The name “Barnett” will become synonymous with debt and deficit. That will be his lasting legacy because generations of people will be struggling to pay down the debt and deficit.

The budget predicts that next year the deficit will double to \$2.7 billion, so there is no relief on the horizon. The Premier has said previously that the out years in the estimates are only guesstimates and are not to be relied on; there are only a view looking forward of what may or may not happen. The Treasurer then says that by 2018–19 we will be back into surplus. The Premier has undercut that by saying we should not place any reliance on the forward estimates because they are only approximations and guesses, and circumstances may change in three or four years. That is true, but what will not change is the level of debt that this Premier has shackled future generations to. As the member for Hillarys said, \$50 billion of debt can be racked up in five minutes but it can take 50 years to pay it down. How right was the member for Hillarys in his illuminating opinion piece in *The West Australian*, published a couple of months ago? Members opposite might say that it is a case of sour grapes because he is not in the cabinet, but there is no-one on the other side of the chamber who would dare to challenge the figures in that opinion piece—no-one.

Mr C.J. Barnett: He was in the cabinet when the decisions were made.

Mr J.R. QUIGLEY: He has told me about that, but I will not breach those confidences. He was in the cabinet when those decisions were made. He is not in the cabinet now but he has had a very good look from inside at how the Premier’s cabinet operates with all these noddies who just nod, saying, “We will go along with that. We will reject independent advice and we will go along with the Premier.” I am now speaking of the stadium. The previous Labor government committed an independent committee to investigate all possible sites for a football stadium. Looking at the AFL games being played around Australia we can see what a great stadium Adelaide Oval is. One end still has to be finished, but South Australia got that stadium for about \$800 million.

Mr T.K. Waldron interjected.

Mr J.R. QUIGLEY: We will let South Australia speak for itself, but it got the stadium for \$800 million. We are kicking the can for \$1.5 billion. For \$1.5 billion, the Premier pressed his own cabinet into going along with Burswood. When the Premier was driving along Graham Farmer Freeway, he saw a bit of land where he could put a football stadium and thought, “What a lovely place to put it!” The Premier rejected all the independent advice that he could get out of this for \$750 million or \$800 million. Another \$700 million is being spent on a football stadium that is depriving this state of investment in income-producing assets. I will refer to one of those income-producing assets now.

One of those income-producing assets that was identified by another independent committee commissioned by this government when it first came to power in 2008 was Perth’s rail needs for the next 20 years. The committee

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was chaired by Mr Hicks and the Hicks report identified six projects. The first project it identified that would return income for investment was the seven kilometres of track across flat country to Yanchep, because of the Tokyu Corporation's commitment to building a university, a health campus and industry in Yanchep. I have said before that the Toyku Corporation has been committed to this for years. The member for Kingsley attended a meeting with Mr Nomoto, the Toyku Corporation president, as did the member for Swan Hills. The Speaker was also present. They left that meeting saying to me that this project had to happen. They could see the economic bonanza that would happen as soon as the railhead got through to Yanchep. The Toyku Corporation put high-speed optical cable all the way there, at its expense, in anticipation. Why did it do that? Because after the Hicks report came down, the Minister for Transport, who was the Treasurer, said it would be built by 2020. He said money was already being spent on that project out of the 2011–12 budget. What did the government do after the 2013 election? It cut that approximately \$320 million project and replaced it with a \$2.2 billion project to the airport, which the Hicks report—the government's own independent report—said was not required until 2030. This is the sort of conduct Mr John Langoulant must have been referring to in that letter to the then Premier and Treasurer, Hon Richard Court. He knew what this current Premier was capable of —

Mr C.J. Barnett interjected.

Mr J.R. QUIGLEY: The Premier can say that in his third reading speech. The letter has been read out in full. Madam Deputy Speaker, can you protect me from interjections from that man on the other side of the chamber, please? Thank you. It is outrageous!

The government dumped a \$300 million project, which, according to the Hicks report, was going to return nearly \$1.80 for every dollar invested, and committed \$2.2 billion to build a line to the airport. It then had the hide to say to the people of Yanchep, the Tokyu Corporation, and everyone who relied on the government's undertaking that it was cancelling the Yanchep line because it did not have the money. That is what the Attorney General, a member for North Metropolitan Region, said. As I had to point out in the paper, how dishonest can this government get? It cancelled the \$300 million line at the same time it announced a \$2.2 billion line. It was an absolute disgrace.

I notice Mitchell Freeway is mentioned in the budget papers. Since 2008, this government has done everything to put off this project as long as it can. It has had a two or three-year community consultation committee to work out the route of the line. That was a no-brainer; I can say where the freeway is going to go. It will go plumb up the centre of the freeway reserve. It cannot go through Butler or through Neerabup National Park. The government has spent two or three years keeping the community aware of the fact that it will build the freeway up there by having this committee and all of the community involved. Do members know what the committee recommended after two or three years of investigations? The best place to put the freeway is through the freeway reserve. That is fantastic! It brought the government two or three years' delay, and then it came into this Parliament and said that it would deliver it early—after it had delayed it for five years and left the people in these new suburbs with a hopeless road system with a single lane of Marmion Avenue or a single lane of Wanneroo Road if people could get over to Wanneroo Road.

On page 818 of volume 2 of budget paper No 2, a line item shows \$261 million for Mitchell Freeway. Originally, the former Treasurer and Minister for Transport—boy, do I miss the former member for Vasse; he got it about the northern suburbs—said that he would get the railhead through to Yanchep by 2020. This is the huge promise that has been broken to all those people out there. He said that he had already allocated \$11 million out of the 2011–12 budget. When the Abbott government was elected in Canberra, the first thing it did was cancel funding for rail and the Yanchep line got the chop because Hon Tony Abbott said, “We don't fund rail; we fund roads.”

[Member's time extended.]

Mr J.R. QUIGLEY: The Prime Minister has come around at the urging of the Premier and the state Treasurer to make up some of the shortfall for this dreadful GST situation we find ourselves in, and committed \$499 million to this state so long as the money is spent on roads. The first project he mentioned was the extension of Mitchell Freeway; then I think it was the freight link. The \$261 million in this budget is now not an expense of the Western Australian government; it has not yet been reflected in this budget. This \$261 million should immediately be applied by this government to the extension of the rail line into Yanchep because, for the \$300 million it will cost to build that line, the government will get a return of about \$500 million. The very thing the Treasurer in a former life said is, “It's okay to borrow if you're investing in an asset that will give a return.” That is what will happen if the government builds that line. The \$261 million is there, Treasurer. Put it on the rail project and take the money Mr Abbott has allocated and that will cover the cost of the freeway. Then it will be developed.

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Dr M.D. Nahan interjected.

Mr J.R. QUIGLEY: This government does not listen to independent advice. I cannot believe the government contracted Mr Robert Taylor for \$180 000 for six months to write good-news stories to sell the budget. I know Robert Taylor. Not many people in this chamber do. I have been fortunate enough to blow the froth off a couple with Mr Taylor in my time. I cannot believe he would have given this government advice to go out to Yanchep District High School last Thursday week and tell it that in view of the dreadful situation at that school, the government will build them a new school in 2019 in its next term of government. Do not tell me that he would not have got a roasting by all the parents present. They must have rejected Mr Taylor's advice. Mr Taylor would not have been so silly as to advise the minister to tell all those parents, whose children are battling in a school that is, by the Minister for Education's description, the worst district high school in Western Australia. It is a primary school, so even though it will be built in 2019, which means that it will not be to the benefit of any child at that school who has hit grade 4 or beyond, they will not even see the new high school there because this does not come onstream until 2019 for year 11. But all the primary school students will still be in this terrible run-down school. The population out there is exploding and I cannot believe that someone as astute in the media as Mr Taylor, who is paid \$180 000, would tell the minister —

Mr P. Papalia: For six months' work.

Mr J.R. QUIGLEY: Yes.

I cannot believe he told the minister to get out there on Friday morning before opening the new Anglican school. Let me tell members about the new Anglican school, St James. Before the new Anglican school was opened at 11 o'clock, he was advised to slip out to Yanchep to at least see them. Mr Taylor would not have said that; he would have known that the minister would have been walking into a lion's den. I will write to WorkSafe tomorrow and draw its attention to the conditions in the design and technology classrooms at Yanchep District High School. Let me tell members about them.

Mr P. Papalia interjected.

Mr J.R. QUIGLEY: They are dangerous. These are the units members may have seen on television last Friday night that have holes in the doors. It gets worse. I am talking about woodworking classrooms in transportable buildings that have been there for 30 years, with saws, sanding machines and the whole works, but no exhaust fans. If the kids want to sand, they have to go out into the grounds and sand by hand. They cannot be trained to be job-ready because there are no exhaust fans inside. Members should see the state of the electrics in there. I want WorkSafe out there pronto. We could not believe it. The minister went there and said on TV last Friday night, or the Friday night before, that he was not aware of the situation at Yanchep District High School. That is disingenuous because three years ago he described it as the worst district high school in Western Australia. Moreover, for two months I have been inviting him to tour the school with the parents, but I did not get a response nor did any of the other parents. He ignored the lot of us.

I come back to St James, which will be a brilliant school. For a lot of my constituents, it will be the Christ Church of the north; there is no doubt about that. The Anglican Schools Commission is doing a brilliant job out there. I went to an Anglican service onsite in February last year when Archbishop Roger Herft was there consecrating the ground, and we had a lovely little service and morning tea. Last Friday week the minister opened the private school, which is running kindergarten to year 6 in lovely premises. In 14 months it has been able to develop a school to run kindergarten to year 6. The minister went out to tell the Yanchep people that in 2019—not in this government's term; in the next government's term—they can look forward to a new school. What a disgrace that is, and what a disgrace that there is no plan now and no commitment by this government to do anything about the Yanchep Primary School, which is the same asset. The minister deflects it by saying he will build a new high school and all the kiddies can keep going to year 6 in these premises. I do not know whether it is good to have a bet in Parliament, but I would be prepared to put a brick on the fact that the machinery classrooms there will not pass muster for WorkSafe when I send in the photos I have and explain that there is not even an exhaust fan there. Forget the holes in the doors and forget the holes in the wall—although I suppose they help a little as a bit of the sawdust may blow out through the walls or through the broken doors—it will not pass muster.

We can look forward and ask: when is something going to happen to the primary school? There is nothing in this budget; no money is allocated, even in the out years, to upgrade this school. Then when we look forward, the deficit, we are told by the Treasurer, will be double next year. So I have to go out to the people and show them this page of the out years of deficit and say, "There's no hope for you and there's no hope for your kiddies. You've been abandoned by this government." It promised \$10.5 million before the election, and as soon as it got re-elected, it cancelled the \$10.5 million. What a disgrace! No wonder those mothers out there were surprised

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when the minister was saying, “This is a good-news day.” I mean to say, he had obviously rejected or ignored the advice of Mr Taylor that he should not go out there to all these people he had betrayed and tell them he is telling them good news that he is going to deliver in 2019! I wish I had been watching the news with Robert! He must have been just laughing that this minister had gone off on his own to do that. I just cannot imagine someone as experienced as Mr Taylor sending the minister out to do that.

But I know why he did it. I had been inviting him for two months to come and have a look at Yanchep, but I did not get a single letter of reply; the parents could not get a letter of reply either. He was going down to open the new St James’ Anglican School that morning. I said to people in my office, “You have to take the office camera. The money shot is the minister opening up St James on Friday morning, and we’ll explain to the people that he’s just too busy with the rich end of town to come out here and look at this primary school.” But he must have twigged to that and said, “I can’t go and open St James’ school, which has had kindergarten to year 6 built in 14 months. Having ignored all the correspondence coming from the parents in Yanchep, I will at least have to put in an appearance.” As I said, the government will not listen to independent advice. Mr Robert Taylor would not have given that advice. He would have said, “Keep your head down, minister. Don’t go near these parents you betrayed.”

I turn to rail. The government had been provided independent advice in the Hicks report as to what the priorities should be. Best bang for buck, as indicated in a business case, was the seven kilometres into Yanchep, as identified by the members for Swan Hills, Kingsley and Mount Lawley. All of them came out of Mr Nomoto’s office saying that this is what we need to do for Perth because Yanchep will be a huge employment area that will generate income. Instead, as I was explaining to the crème de la crème of the business community of Perth last week at this private dinner—I will not go into their names and all that—the government borrowed \$8 billion to pay the wages. Unbelievable! It did not borrow to get any return.

Finally, I turn to law and order. What a disgrace! The government brought in the Criminal Law Amendment (Home Burglary and Other Offences) Bill 2014; it said it was going to get it in urgently, and here we are. It passed the Assembly, and it is still wallowing around in this Parliament. But when we look at the budget, it states that one of the risks to it is the increase in prisoner numbers that the government has not worked out yet. We know it will be about 300 prisoners; we know that between the juveniles and adults, there will be about 300 prisoners at about \$100 000 each a year, and all the budget papers state is that that presents a risk to the budget. The government has gone out and made all these promises to the people, without making any budgetary provision to see its laws carried into place.

MR P. PAPALIA (Warnbro) [8.24 pm]: That was a fine contribution from the member for Butler on the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015. Following the extraordinary events of last week—when many people in the state learned of the true extent of the damage imposed on the state and future generations of Western Australians by the Barnett government—I was interested to read only a few days later an article in *The Sunday Times* by Mr Joe Spagnolo. He is a very astute journalist and individual who has broken some of the most outstanding and exceptional political stories in Western Australia over the last decade. His article indicated that he had met with a minister of the Barnett government in Claremont, soon after the budget speech and the exposé of the extent of the damage—namely, the appalling record first deficit in 15 years, the extent of next year’s deficit being so extraordinary at \$2.7 billion, and the fact that debt looks like soaring to \$36 billion, although, as I will discuss later, I think that is very conservative. But in the wake of that revelation to many people in Western Australia—not to us on this side but to many people who had not been really aware of what was going on—he met a minister who indicated to him that despite the extent of the damage imposed and despite the fact that future generations of Western Australians and the grandchildren of current taxpayers will probably be confronted with having to deal with the legacy of Premier Barnett, this minister was confident that the Liberal Party would still win the next election.

I was interested to read that, because it gave an interesting insight. Having lived through the last 18 months of the previous Labor government and watching the events around the loss of government unfold, it was interesting to make the comparison. It is interesting to make the comparison now as we are near that time of the dying days of the Barnett government. It is interesting to see the way ministers and people within government are able to deceive themselves or retain a view from inside a bubble of their own world, where things are slightly different from the view on the outside. This individual indicated to Mr Spagnolo that, yes, the government was sure that the people of Western Australia do not really care about debt. The Barnett government’s strategy, apparently, is to continue to rack up debt, to continue to be irresponsible and to continue to impose burden upon future generations without any sense of responsibility, without any sense of appropriateness and without any sense of probity. It believes that that will not matter because it considers the public to be so stupid and so incapable of

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making an appraisal of what is going on that it will get away with it. The Barnett government thinks, as indicated by Mr Spagnolo's discussion with this minister, that if it puts enough big blue signs along enough major arterial roads in Perth and in the regions, it will convince people that stuff is happening, and because stuff is happening, that is all good; it does not matter about debt and it does not matter about deficit.

That was concerning to me. I do not believe the public is so silly; I actually have more faith in them. I think they will see through it. I think they have already seen through the Premier, but I think they will see through the transparency of the spin. That is about all the government will have to fight the next election with. I think the public will see through that. But the concern is that the government believes it can continue to behave in this fashion. When we look at the budget papers, and as indicated in the briefing we received from Treasury today, the claim is made that debt will top out at \$36 billion or so and the books will start to look better after the next election, and that worries me. If we look at what is going on in Western Australia at the moment, we are in trouble. It is a serious situation. Everyone knew that mining would transition from construction into production—that has happened.

Mr C.J. Barnett: Not quite.

Mr P. PAPALIA: If we look at what is happening, everyone knew that there would be a transition in the mining industry—it has happened, it is going on. People are losing their jobs because new projects are no longer being brought onto the books.

Mr C.J. Barnett: Yes, there are.

Mr P. PAPALIA: There are no new ones, Premier. At the same time, the price of iron ore has dropped, which is having another impact. As a result, the contraction is putting junior miners under a great deal of pressure. I hope they survive but I fear for them in Western Australia, and I fear particularly for the thousands upon thousands of Western Australians whose jobs rely upon that industry. That is going on in Western Australia but it is happening right across Australia. The difference is that at the same time that is happening in Western Australia, we are not experiencing the housing boom that Victoria, and particularly New South Wales, are experiencing. What is happening to the housing market in Western Australia? Any one of the major builders in Western Australia will tell members that it is contracting. They are fearful that by the end of this year the new home market will have collapsed. Unlike New South Wales, Western Australia does not have that sector of the economy taking up the slack. Western Australia has the reverse situation; our building industry will not pick up the slack. People who came to Western Australia for the mining boom are now returning to New South Wales for employment. Western Australians will lose their jobs and the building industry will not take up the slack and provide employment. Unfortunately, if we look at other sectors of the economy and the opportunities they might provide for Western Australians, we can see that the government has done nothing to diversify the economy throughout the Barnett years. The government has just ridden on the coat-tails of the mining boom and done nothing to diversify the economy. When the Carpenter government lost office, having followed on from the Gallop government, there had been a considered and dedicated effort to diversify the economy. We have heard from other members during the course of today about the focus on science and the concerted effort by the Gallop government in particular to establish science as another major employer in the state. The Barnett government did nothing about it. In the 2013 election, everything was about getting on the front page of the paper and getting a couple of grabs on the TV news. The science commitment from the Barnett government for its entire seven years has been to promise to move Scitech to Burswood, which did not happen—that is it! Support for science has died; it has gone. The science sector is in tatters, so it will not take up the weight.

What about the defence industry? Geoff Gallop had a bit of foresight and boosted industry generally across the state, particularly in manufacturing. The focus was on providing support and engendering opportunity in the manufacturing industry in Western Australia. When I arrived under Alan Carpenter, that legacy continued. As a backbencher in government I was given the job of chairing the defence industry advisory board, which was established under Geoff Gallop. That board had voluntary membership from every major defence player in Western Australia, predominantly in shipbuilding, but BAE Systems Australia had a maintenance facility for aircraft at RAAF Base Pearce. However, most of the membership came from shipbuilding and support at Henderson —

Mr F.M. Logan: Tenex.

Mr P. PAPALIA: Yes, Tenex and Austal. There were other systems as well but it was all clustered mostly around Henderson and down into Rockingham—the major players were all there. The small to medium-enterprises were represented by the Australian Industry and Defence Network and we had access to tertiary and secondary representatives and we were even going towards primary school education representatives. That advisory board was focused on building opportunities in the defence industry in Western Australia and

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diversifying the economy. What was one of the first things that this government did when it got into office in late 2008? It got rid of that board for the stunt that was the Red Tape Reduction Group—nothing else. There was no significant cost to run that board. A couple of employees developed engineering programs for students in the schools to entice them into that industry, to see that industry as an opportunity for employment, but there was no significant expenditure. However, we got an awful lot out of that board because apart from advertising and promoting that industry to our young people at a time when we had to compete with the mining boom to get people to continue their school studies and move into training and apprenticeships within this industry, we were beginning to advocate on behalf of the Western Australian defence industry with Defence Materiel Organisation to get our share of what was then a significant budget.

Several members interjected.

The DEPUTY SPEAKER: Order, members! Your conversation is getting too loud.

Mr P. PAPALIA: I think the budget at that time was about \$60 billion, but it is more now. That small organisation magnified our impact. It directly supported the industry players in Western Australia who would provide jobs for young Western Australians as an alternative to working in the mining industry. What did the Barnett government do? It got rid of it. It killed off that alternative. What alternatives are there? Agriculture is, fortunately, retaining its strength but it is not expanding hugely, and because it increasingly relies upon technology, it does not offer anywhere near the amount of employment opportunities it did in the past. So what do we have? The truth is that we have tourism and hospitality, but, again, the Barnett government has done nothing to enhance opportunity within that sector.

Mr C.J. Barnett: What about Elizabeth Quay and five hotels?

Mr P. PAPALIA: That is the problem, Premier. The interesting thing is this: remember that during the mining boom there was a paucity of availability of hotel rooms and a constraint upon the tourism industry through the lack of hotel rooms that were predominantly occupied by business travellers associated with the mining boom. The mining boom has now collapsed and gone. Many hotel rooms are coming onto the market but that does not bring people to Western Australia. They do not fly to Western Australia to stay in a hotel room.

Mr J.H.D. Day: No; the decent attractions bring them here.

Mr P. PAPALIA: The minister is assuming—this is his argument—that people from all over the world or from the east coast will come to Perth to go to Elizabeth Quay. Is that the minister's argument?

Mr J.H.D. Day: Not just for that, but it adds to the attraction of Perth.

Mr P. PAPALIA: What will get people to Western Australia? It is destination marketing; that is the truth. We are competing directly with the east coast of Australia for tourists. Queensland, New South Wales and Victoria are our main competition. We are competing for our own market—Western Australian travellers. We want them to stay here rather than go over east. We are competing for the New South Wales, Queensland and Victorian travellers, and we are also competing for overseas travellers. What recently happened on the eastern seaboard? There were three elections in a row and what is the one thing that every winning side had in common? During the election campaign, every winning side promised a massive boost to destination marketing and events funding for their state, should they win. Every government that came into office recently in Victoria, New South Wales and Queensland promised to boost funding to our major competitors. Queensland was promised \$40 million over four years above and beyond what was already funded. New South Wales was promised a huge amount of \$125 million plus—I think it was a 25 per cent increase in its tourism budget. What did the New South Wales government say to the world? It said that it would compete with Victoria for events. What do members think the Victorians will do? They were promised a boost to the visitor economy, but it will now have to boost it even further in response to the threat from New South Wales. Meanwhile, for two years, this government has told the tourism sector that it would break its promise to increase funding by \$27 million above what it had before the election. The promise before the 2013 state election was to increase funding for tourism destination marketing and events by \$27 million, and immediately after the election the Premier broke that promise. He said, “No, we're not going to give that to you now. You're not getting that.” For two years the Premier had them thinking they were not going to get it. What does that provide? That provides more uncertainty and lack of opportunity for the industry to prepare for the expenditure that now the Premier has come through and committed. The Premier has done it again because this time he said, “You'll get your final \$11 million”, and after that, as is always the case with the Barnett government, the forward estimates do not exist. If we look at tourism expenditure after the next election in the budget out years, it plummets. When I say that to industry, they say, “But that's what happens with the Barnett government.” It does not put it in there. It exists only for two years.

Mr C.J. Barnett: Who said that to you?

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Mr P. PAPALIA: I am not going to tell the Premier who said that to me.

Mr C.J. Barnett: Because no-one did. It is so obvious.

Mr P. PAPALIA: I am not going to tell the Premier who said that to me.

Mr C.J. Barnett: It did not happen.

Mr P. PAPALIA: It did happen.

Mr C.J. Barnett: Oh yeah!

Mr P. PAPALIA: It is true. It is in the budget papers. Does the Premier not believe me?

Mr C.J. Barnett: I do not believe you.

Mr P. PAPALIA: Has the Premier seen the tourism budget? It drops off after two years. The additional funding drops back to what it was previously. When I say to the Tourism Council Western Australia, the peak body for tourism in Western Australia, this is what happens, it says, "Yeah, but that's what always happens with the Barnett government." It is hoping that the Premier will come out, in the lead-up to the 2017 state election, and promise some enormous amount of money. The problem with that is no-one can believe the Premier. He did that at the last election and at the one before that. The Premier immediately broke the promise straight after the election.

[Member's time extended.]

Mr P. PAPALIA: Western Australia is in a serious situation. It is undeniable that opportunities for employment within the mining and offshore worlds are contracting rapidly. A lot of people are losing their jobs. People right around Western Australia are fearful of losing their jobs. People are feeling insecure. There are no opportunities. The Premier has killed the science sector. That is not an opportunity now. In the Premier's absence, I talked about the defence industry sector. The Premier also killed that. A big fight has been going on with the federal government about shipbuilding in Australia, but the Premier has been absent. He has been missing in action, leaving it to the South Australians to argue. If Australia is to spend billions of dollars building defence assets as a strategic asset for the nation, we should spend the money in Australia and build the capability in Australia. That fight has been going on between Adelaide and Canberra, but the Premier has been absent. It is as though Western Australia has no skin in the game. One of our alternative employment sources in Western Australia is the defence industry. All the major players are here. The way warships are built nowadays, there is no reason that Western Australia could not modularise and build here. There is no reason that Western Australia could not be a player. We had no voice. It was as though the debate was unrelated to Western Australia. Meanwhile, people are losing their jobs. The new home building industry is collapsing.

Mr P.T. Miles: No, it is not.

Mr P. PAPALIA: Does the member not believe that?

Mr P.T. Miles: I have seen the figures.

Mr P. PAPALIA: Does the member not believe that?

Mr P.T. Miles: I do not believe it.

Mr P. PAPALIA: All the major builders have stopped building at the top end. They are all going to the bottom end.

Mr C.J. Barnett: That is not a big part of the industry.

Mr P. PAPALIA: Dale Alcock laid off 400 people. Does the member not think that is a big issue?

Mr P.T. Miles: Four hundred people?

Mr P. PAPALIA: Yes.

Mr P.T. Miles: Out of how many?

Mr P. PAPALIA: Does the member not think that 400 people losing their jobs is a big issue?

Mr P.T. Miles: It is a big issue.

Mr P. PAPALIA: Does the member think that Dale Alcock will be the only builder who will do that? Has the member not talked to any of them about what they fear by the end of the year?

Mr P.T. Miles: Yes, I have.

Dr Mike Nahan; Mr Ben Wyatt; Ms Rita Saffioti; Mr Peter Watson; Mr Roger Cook; Dr Tony Buti; Mr Ian Blayney; Mr John Quigley; Mr Paul Papalia; Mr Fran Logan; Mr Chris Tallentire; Ms Simone McGurk; Mr Peter Tinley; Mr Bill Johnston

Mr P. PAPALIA: They are fearful about what is going to happen by the end of the year. It is a serious situation. There are not many levers that the state government can pull. The one area that government can invest in for a near-term return, in the way of jobs and revenue to businesses in the state, is the visitor economy or the tourism sector. It is good that the Premier is finally keeping his promise to add \$11 million that he was not going to give to that sector, in the way of destination marketing, but compared with what is now happening in Queensland, New South Wales and Victoria, Western Australia's investment is flatlining. Those other states are increasing their investment at exactly the time when we need this sector to step up and start offering opportunities to Western Australia, because there are not many. The government is making ridiculous claims such as Elizabeth Quay is somehow employing 90 000 people. Seriously!

Mr J.H.D. Day: No-one has ever said that.

Mr P. PAPALIA: It was actually one of the statements made in this place by a minister. It is ridiculous. When the government talks up a commercial diver being employed at Elizabeth Quay as an indication of the boost to employment as a result of that project, it is laughable. That project will not employ thousands of people who are going to lose their jobs as mining tapers down.

Mr F.M. Logan interjected.

Mr P. PAPALIA: No, I would have been more expensive!

Mr C.J. Barnett: There is one thing we will not do and that is talk down Western Australia, like you do.

Mr P. PAPALIA: I am saying to the Premier: spend more on destination marketing for the tourism industry because that may be our saviour. Do not pay lip-service to it. Our key competitors—the ones fighting with us to take overseas and eastern states visitors, and our own visitors—are spending more money. They are ramping up as a consequence of the three recent state elections. They all made significant promises in that field. The Premier's last promise was not enough. That is what I am saying to the Premier. I am advocating on behalf of the tourism sector. I am advocating on behalf of Western Australians who will need jobs.

The Premier imposed \$800 million worth of land tax on them. I attended an Australian Hotels Association function last night, the WA Hospitality Supplier Awards. Bradley Woods got up and told the industry what the Premier has just done. He said, "He gave the \$11 million that he promised but had held off for two years." He told them what the Premier has done. He said, "By the way, the Barnett government just slugged you \$800-million plus over four years in land tax." Who pays land tax? The landlord does not pay it; I can say that. Added to their outgoings, small businesses will be hit. An operator leasing a commercial property will cop it. That will put their costs up. It is not in isolation; it did not happen on its own. The Premier has done it twice before. In the previous two years, there was a 24 per cent increase. The Premier has taxed the very people upon whom we will rely. He is slugging the very people we will rely upon to offer opportunities to Western Australians who are losing their jobs in the mining sector. It is really tragic. I hope the Premier does more in the tourism sector with regard to destination marketing. That is the one thing he can do. As the member for Armadale —

Mr C.J. Barnett: Tourism between WA and Singapore is up 30 per cent in the past 12 months. That is a fact.

Mr P. PAPALIA: Interstate visitor numbers have collapsed. They are the people that the Premier needs.

Mr C.J. Barnett: It is international that matters, mate.

Mr P. PAPALIA: Oh right, okay.

Mr P.B. Watson interjected.

Mr P. PAPALIA: I hope other ministers are listening. He is a grumpy Premier. He is the most unpopular Premier in the history of Western Australia and in the history of Newswall. There have been more unpopular Premiers in Australia by one or two per cent. Every single Premier who had a negative 20 net approval rating has lost office; either been kicked out by their own party prior to an election or kicked out as a consequence. I do not know what will happen at the next election but I hope there are more reasonable individuals in the cabinet and in the party room on that side.

I will move on to focus a little on my electorate. I do not do that very often; I do not get that much opportunity. I will take the opportunity during this general debate to reflect upon an event I attended on Friday night.

Mr P.B. Watson interjected.

The DEPUTY SPEAKER: Order, member for Albany!

Mr P. PAPALIA: I appreciate the Deputy Speaker's protection; the member for Albany is an issue!

Dr Mike Nahan; Mr Ben Wyatt; Ms Rita Saffioti; Mr Peter Watson; Mr Roger Cook; Dr Tony Buti; Mr Ian Blayney; Mr John Quigley; Mr Paul Papalia; Mr Fran Logan; Mr Chris Tallentire; Ms Simone McGurk; Mr Peter Tinley; Mr Bill Johnston

I attended an event on Friday night. We were celebrating the Secret Harbour Surf Life Saving Club's annual awards night. This one was special. At this event were members from the Surf Life Saving Australia board. Presidents from every state in the nation were there. The board is predominantly represented by New South Wales and others on the east coast. They were all at the Friday night dinner. Surf Life Saving Australia president, Graham Ford, and his wife, Trish, were there, along with the chief executive officer of SLSA, Greg Nance, and the SLSA board members, with each state being represented. The chair of Surf Life Saving WA and SLSA board member Craig Smith Gander was also there. Hon Gary Gray, AO, MP, was there; a good friend of the member for Cockburn. Hon Kate Doust, MLC, a member for South Metropolitan Region, was there. I was there. The Mayor of the City of Rockingham, His Worship Barry Sammels, was there, along with Councillor Chris Elliott from the ward that represents Secret Harbour. They were there for a reason. Last year, Secret Harbour Surf Life Saving Club was awarded National Surf Club of the Year. That is an extraordinary achievement for a suburban surf club in Western Australia.

Mr P.B. Watson: The president came down to the Albany Surf Life Saving Club.

Mr P. PAPALIA: I have to push on, mate.

Mr P.B. Watson: I had to get Albany in!

Mr P. PAPALIA: Was that Digby Wilson?

Mr P.B. Watson: Yes.

Mr P. PAPALIA: He is a good friend, and a good man.

I want to go through the sorts of things that the Secret Harbour Surf Life Saving Club has achieved in recent times, but particularly in that year. Secret Harbour Surf Life Saving Club got DHL Club of the Year. It got DHL Surf Lifesaver of the Year. Rob Bates achieved that incredible award. Sharee Hart was awarded DHL Assessor of the Year and Daniel Andrew was awarded DHL Lifeguard of the Year.

Mr F.M. Logan: Sharee is at Coogee!

Mr P. PAPALIA: We must have poached her! Secret Harbour Surf Life Saving Club got those national awards. That was an extraordinary achievement nationally. But it has also in recent times achieved extraordinary things. I would like to place on the record my admiration and respect for, and thanks to, the president, Digby Wilson, and the vice president, Wendy Malcolm, who hosted the evening and did a wonderful job; club captain, Rick Lowe; the director of lifesaving, Rob Bates, who is DHL Surf Lifesaver of the Year; director of surf sports, Debbie Bird; director of youth, Alexis Grayson; director of public relations and sponsorship, Carolyn Wilson; director of education, Garry Hart; director of house and social, Joanne Thodis; and director of finance and administration, Nicholas Le Plastrier.

Secret Harbour Surf Life Saving Club has won an enormous number of awards. It is a finalist in this year's awards in Western Australia for Lateral Patrol Club of the Year; DHL Volunteer of the Year, Carolyn Wilson, has been nominated and has reached the finals; Support Operations Volunteer of the Year, Garry Williams, is a finalist; Young Achiever of the Year, Liam Bates, is a finalist; and DHL Lifesaver of the Year, Garry Hart, is a finalist. The club also received last year's Assessor of the Year award. So, the club has done extraordinary things.

In the couple of minutes left to me, I will tell members a bit about the growth of the club. In the last six years, the club's membership has grown from 360 to 980. This year, the club's membership has had an 8.4 per cent increase to 984. As Secret Harbour and its surrounds grows, and as the club gets the benefit of the wonderful new clubrooms that have been built for it by the City of Rockingham council, the club's membership is projected to grow in the next few years to 1 500, which is just extraordinary. I believe, and everyone knows, that this club is an incredible asset to the community. The club has been responsible for 1 152 rescues, 1 680 first-aid cases and 12 084 preventative actions. The club operates along 11 kilometres of coast and goes right down to Penguin Island. Everyone would be familiar with the tragic deaths of people who tried to cross the sandbar at Penguin Island, until the surf lifesaving club was asked to patrol it, and since that time obviously it has prevented any casualties from occurring. The club has done an extraordinary job, and that is part of why it has been recognised nationally. We should all be thankful to the people at that club for what they do, and I personally am very thankful that they are such a tremendous asset to the community and such a strong contributor to the whole of Rockingham and Kwinana and surrounds, even right down towards Mandurah, but particularly to the electorate that I represent. I extend my thanks for the other evening and my congratulations on an extraordinary effort.

MR F.M. LOGAN (Cockburn) [8.54 pm]: I congratulate the member for Warnbro on his speech, and also remind him that some of those awards would not have been achieved had Sharee and Garry Hart not transferred

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from Coogee Beach Surf Life Saving Club down to Secret Harbour Surf Life Saving Club! Congratulations to both of them on their awards, by the way; if the member would pass on my very best to them both. The growth in Secret Harbour Surf Life Saving Club certainly mirrors the growth in Coogee Beach Surf Life Saving Club, which up until only two years ago operated out of a shed next to the Coogee Beach cafe and now has a state-of-the-art surf lifesaving club courtesy of both the state and federal government, Lotterywest and the City of Cockburn. I am very, very proud to have been a longstanding founding member of the club and a long-term supporter for the growth of the club, which just like Secret Harbour has achieved membership of over 1 000 now.

Mr T.K. Waldron: I had a lot to do with that!

Mr F.M. LOGAN: Yes. I recognise the member for Wagin, who in his former role as Minister for Sport and Recreation played an active part in finding the funding. So thank you very much for that, Tuck.

Unlike the criticism that was dished out by the Premier—unfairly, I thought—on the member for Warnbro about how he was criticising and running down the state, I have no intention of running down the state as part of my budget speech this time. But I will run down the budget, because I think that is certainly my role as a member of the opposition in holding the government to account. If we look at the media statements about the budget on the day of the budget release, they were not good for the government. The front cover of *The West Australian* had a picture of a fire engine, with the Treasurer and the Premier sitting in the fire truck on their way to try to put out the flames of the financial fire that has been caused as a result of their financial incompetence over the last six to seven years, and the inference and the statements in that newspaper article were that it was a horror budget.

Gary Adshead on 6PR went a lot further in his criticism of the budget, and his opening statement to the Treasurer, when he eventually got the Treasurer on 6PR on budget morning, was, “Well, Treasurer, basically what you’ve created is a S-H-I-T sandwich, and now you’re asking the people of Western Australia to eat it.” That was the statement from Gary Adshead. Of course the Treasurer went on to explain about the budget. But that goes to the point I am making. The budget was not well received at all across the board by the media, and it certainly has not been well received out there in voter land, and everybody in this chamber knows that.

So, in order to combat the way in which the budget has flunked on its release, we have seen the typical media spin that comes out of the Department of the Premier and Cabinet, with its media spin doctors like Dixie Marshall, to try to tell some good news stories around the budget. If I hear the Treasurer talk about primary schools and high schools once more, I will throw myself off a cliff! Goodness me! Treasurer, just a bit of advice—we tried that one, and it did not work! Okay? At the end of the day, we can talk as many times as we like about all the benefits of building primary schools and high schools, but the expectation out there in voter land is, “That’s just normal business. You’ve promised that school for a very long time, and it’s about time you got on and did it.” That is the way the punters receive it. They do not see that as a new issue that has come out of the budget and a good reason for why they should accept the budget. For them, it is business as usual. A lot of the parents in the area that is in receipt of a new primary school or high school have been calling for that school for a long time. They just expect the government to get on and do it. The government’s public relations spin does not work in that area.

The Minister for Transport had his PR spin on Sunday on the new railcars. That was the railcar contract that the former member for Vasse, as Treasurer, cancelled in the first budget in 2009 when this government came to office. They were the carriages that he put a red line through to save money in the first budget of the Barnett government in 2009. It was only put back in later because of the crush and the chaos that had been created on the metropolitan train lines, particularly during 2011 through to 2013. The then Minister for Transport, who happened to be the member for Vasse, put that budgetary item back to the budget because he was not only the Treasurer again, but also the Minister for Transport again. He took the opportunity to put that line item back in the budget for the purchase of those carriages because of the criticism that he was copping as the Minister for Transport at the time due to the huge demand for public transport. The current Minister for Transport and the Treasurer are saying, “Look at all these great things we are doing as a result of the budget. Look at all these fantastic things; we are getting new train cars.” Yes. We were supposed to get them in 2009! That gives members an idea of the extent of the spin that is coming out of the government at the moment, and the desperation that is coming out of the Department of the Premier and Cabinet through Dixie Marshall in order to turn this budget into something that smells better than it actually does.

Coming to the budget itself, the reason that it smells so badly is because, as the media picked it in the first place, it is a horror budget. Key budget aggregates on page 37 of budget paper No 3 of the *Budget Statements* under the heading “Net Operating Balance” shows that the deficit for the end of this financial year, 2014–15, is negative \$1.28 billion and the forward estimates for the forthcoming financial year of 2015–16 show that it will be

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negative \$2.7 billion. If that is not horrendous enough, the net-debt-to-revenue ratio, which is at the bottom of those key budget aggregates, is even worse. Treasury and financial groups have always demanded of state governments—of all governments, really—that they attempt to keep the net-debt-to-revenue ratio below 45 per cent. Certainly, that was a key performance indicator of the Gallop and Carpenter governments when managing the economy to ensure that we kept the key indicator net-debt-to-revenue ratio below 45 per cent. In 2013–14 it was at 55.2 per cent. During this financial year, it rose to 67.9 per cent, and in the forthcoming budget, the net-debt-to-revenue ratio is 80.5 per cent, rising to 83.3 per cent in the 2016–17 forward estimate. Remember what I just said: the key performance indicator for the Labor government under Geoff Gallop and Premier Carpenter was to keep that ratio at below 45 per cent, which we did successfully over eight years of our government. It is currently at 67.9 per cent, rising in the next financial year to 80.5 per cent and out to 83.3 per cent. No wonder it has been deemed a horror budget. They are horror statistics.

We see on page 63 of budget paper No 3 that total public sector net debt is rising. The member for Hillarys has written a number of articles. I know that some people in the Liberal Party might not agree with the member for Hillarys, but we cannot knock his views of how the debt is expected to pan out, given the expenditure of the Barnett Liberal–National government. Two years ago he predicted in this place—it was reprinted in the newspaper—that total debt would rise to \$36 billion, and he was right on the money. Page 63 of budget paper No 3 shows that total public sector net debt for 2015 stands at \$25.4 billion, rising in the next financial year to \$30.9 billion, and in 2018 to \$36.2 billion. The member for Hillarys was right on the money when he predicted that debt would rise to \$36 billion.

When members have the temerity to question the government about why these horrendous figures have come about and why the government is facing such a deficit problem, and questions it about why the overall total debt for the government sector has emerged as it is, one of the continuous excuses we hear, both in this house and in the media, is that the government could not have foreseen the decline in the iron ore price. The Acting Speaker has heard the Treasurer say on a number of occasions that nobody could have predicted that and therefore that this is one of the reasons we find ourselves in the situation. One of the Treasurer’s criticisms of the opposition is that we are looking back in hindsight and that members of the opposition think they could have predicted what has occurred. That is just all rubbish. The government claims that nobody saw the drop in the iron ore price coming; therefore, it could not have avoided the fiscal situation that it finds itself in. That is not true. I pointed out the other night when we were debating the Loan Bill 2015 that that it is not true. I just do not accept that argument from Dr Nahan, who is the Treasurer and has a PhD in economics and keeps a very close eye on international trading issues and the international markets. If Dr Nahan as the Treasurer is genuinely telling this house that he could not have foreseen this, I think he is misleading the house. The indicators that the Treasurer follows quite closely were plain before him. He was not the Treasurer at the time, but they were plain before everybody. I am sure that the Treasurer, as a humble backbencher or parliamentary secretary or whatever he was, would have had a good oversight of those figures—that is, the significant hit that the Chinese economy took in 2008 following the global financial crisis. The transformation that emerged from that was quite clear: the Chinese government was directing its economy away from heavy industrial production to a consumer-led growth.

That is the first thing, and clearly the flow-on effect from that was that the demand for steel would peak and the demand for iron ore would therefore be impacted. That was the ongoing impact of that decision in China. If a person was to watch the figures in China, they would have seen that since 2008 global crash although its state production has continued to be enormous in global terms, running at seven per cent-plus, it has nevertheless continued to come down from that point. The Chinese economy peaked prior to 2008. Its overall production figures have never been that high again and they continue to fall. That is a reflection of the government’s movement away from continued urbanisation and continued heavy production towards consumer-led growth. Therefore, those markets that rely on that type of production and demand such as steel markets were going to be hit and therefore iron ore markets were going to be hit as well. Even if one did not even bother to look at China, Andrew Mackenzie of BHP said the same thing today when he described why BHP expanded.

[Member’s time extended.]

Mr F.M. LOGAN: He said as much when he criticised the call for an inquiry into the iron ore industry. As members know, Rio Tinto and BHP have been forthright in their opposition to a federal inquiry into the iron ore industry. If one looks at why Andrew Forrest, from FMG, is calling for an inquiry into the iron ore industry, he points to a Rio Tinto executive who stated in 2011, “We have oversupplied the market, but we are expanding our production.” The “we” as interpreted by Andrew Forrest is Rio Tinto. The “we” the executive was actually referring to was the iron ore industry that had oversupplied the market. Nevertheless, Rio Tinto would still expand its production. As I said in this chamber the other night, knowing that there would be an overall

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downturn in demand for iron ore coming up, Rio Tinto and BHP expanded their production to ensure that they had large volumes of cheaper iron ore going through their production processes to retain their market share. They have to sell their iron ore at a lower price, so they will sell more volume at a lower price. That is the reason for the BHP–Rio Tinto expansion that Atlas, FMG and all the other smaller companies find so horrendous. As Andrew Mackenzie of BHP said, “That is how economics work. That is how businesses work.” He is quite right about that. That is how the capitalist market works.

For the purposes of criticising the Treasurer, the point I am making here is that the big players in the iron ore industry knew in 2011 and even said that they were oversupplying market. If they were oversupplying the market, ultimately what was going to happen with iron ore? Ultimately, the prices would drop. That is what the big global miners knew back in 2011. Taking those two indicators into account—the statistics coming out of China plus the view of the major global iron ore miners—we were ultimately facing a time when the price for iron ore was coming off. We were not in government; it was up to the Liberal–National government to find out those figures and to ask the right questions of the right people. If the government had done that and were clearly aware that the iron ore price was coming off, it should have then trimmed its fiscal sails accordingly and trimmed its expenditure program accordingly because it knew its income would shrink. That did not happen. The right questions were not asked and the raw data in front of government was ignored and the expenditure program was never reined in. Consequently, we now have the figures I just referred to from budget paper No 3, the *Economic and Fiscal Outlook*. It all ends up there simply because the people in key government positions did not ask the right questions or look at the right data or make fiscal changes to prepare for the forthcoming deficit, which was inevitable, and the forthcoming increase in the total debt, which was inevitable, and did not make any attempt to change what would occur.

If one looks at some of the expenditures even today that could be reined in and probably should be reined in, we see that they have not been touched. Look at budget paper No 3, on page 211, the royalties for regions expenditure. I cannot understand why on the royalties for regions expenditure balance sheet on page 211, the Pilbara Cities initiative is going up at a time when demand for housing in the north west is coming down. The estimated actual for the Pilbara Cities initiative for 2014–15 is \$141 million. Expenditure in the budget papers for the forthcoming financial year is \$207 million, rising through 2016–17 to \$239.1 million in the out year 2017–18. That is a quarter of a billion dollars expended in an area of the state where the demand for housing is coming down and apartments, such as Pelago, are empty. The poor old country health authority has been forced by government to relocate some of its staff into the empty Pelago apartments. Osprey Village, which is a key workers’ village in Port Hedland, is nearly half empty. The word that I get is that they are taking backpackers in there. So much for key worker accommodation; I think it is being made available for grey nomads and backpackers. Are we going to spend another quarter of a billion dollars up there? How come the Treasurer’s fiscal knife was not taken to this? How come it did not get the chop? Instead, the Department of Training and Workforce Development got the chop. It will lose nearly \$200 million over the out years—there has been an 11 per cent cut this year alone.

On pages 378 to 381 in scandalous budget paper No 2, volume 1, we can see how the Department of Training and Workforce Development has taken the knife to its various sectors. It has cut the overall expenditure of money in state training providers; that is, TAFE colleges themselves have taken a significant hit. As I say, they have taken an 11 per cent whack of \$10.8 million as a result of this budget. Apprenticeship and traineeship administration and regulation—the service sector that provides funding for the regulation and registration of training contracts, the administration of contracts and advice that makes sure apprentices are looked after while they are indentured—has taken a 28 per cent financial hit this year and the next financial year and 17 jobs will be lost as a result. They are frontline services; that is, they make sure apprentices are looked after and that the treatment and training of the apprentices by employers is regulated. The training itself, state training providers and delivery of funding for training at TAFEs are frontline services. They are the ones that have had their funding axed, by \$10 million, as I say, in the cost of service for the state training providers and by 28 per cent for apprenticeships and trainees. However, support services—this is the way the Treasurer’s departments behave—which is the supply, management and maintenance of finance and human services, expenditure, has increased. Support services is not employing more people—six positions have been cut, although in one other place they have increased—but its budget has increased by \$9.3 million since 2013–14 and by \$450 000 this year. Frontline services in training have been cut—that is, the delivery of training and making sure apprentices are regulated and contracts are properly carried out—but the backroom services in the department of training, the pen-pushers, have looked after themselves. They will not lose their jobs; their budgets are fine. In fact, in a prime example of where contracting out can be done—HR services and finance—the budget has gone up. What a joke! No wonder this is described as a horror budget. The media has not looked at it in the level of detail that I have because it falls within my shadow portfolio. It is absolutely disgraceful. The Minister for Training and Workforce Development should hang her head in shame for the way she is looking after that portfolio. The minister should

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get the director general in and take her head off for allowing that to happen in that department. It is absolutely pathetic.

Finally, in terms of local issues, I will say one good thing. The government delivered on the expansion of the TAFE college in my electorate, which is \$15 million allocated to the oil and gas training college.

Dr M.D. Nahan: How did that slip through?

Mr F.M. LOGAN: I do not know, Treasurer, but just leave it alone! It is a good investment. I only hope there is enough money left in the TAFE budget to provide lecturers and training courses. It is a good long-term investment and I congratulate the government on it and thank it for doing that.

MR C.J. TALLENTIRE (Gosnells) [9.24 pm]: I rise to make a contribution to this budget debate on the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015. I want to begin by looking at some of the economic parameters we are facing. One that has caught my attention is the dramatic slowing in the growth of our gross state product. I see that we have a long-run average of about 4.9 percent of GSP growth and now it is down to two per cent. I heard the Under Treasurer today talk about some of the reasons for that decline. He cited a weakening in household consumption, low wages growth and a serious decline in dwelling investments, which have peaked. They are some of the parameters we are facing. They are of course related to the management of the economy and our reliance on the resources sector; the problem of putting all our eggs in one basket, because the economy has been so skewed to one sector. In looking at other areas, I acknowledge that payroll tax has been the major source of revenue to the state and that in the past it has raised about \$4 billion a year, but our reliance on this is also to our detriment. With a change by one dollar in the value of our iron ore, our state revenues change by about \$70 million. Each time there is a change of a dollar upwards or downwards, there is a \$70 million change in state revenues. These are some of the factors we have to deal with because of this skewed economy.

I think of these matters and the issues facing the needs of my constituents—the sorts of issues that people come to my office and talk to me about on a daily basis. I realise that we have a responsibility to make sure we can meet people’s needs. It should be our job to meet their needs and to find a means of paying for those needs, and make sure that we can meet the cost of providing whatever is required to meet their needs by ensuring that everyone pays according to their ability to pay. That is how it should work. Throughout this speech I will return to that theme of meeting those needs and how we go about doing it.

I also have to begin my speech by putting on the record the state’s terrible debt. When our total public sector net debt is more than \$30 billion, we have an incredibly serious situation. In 2008, our total public sector net debt was \$3.9 billion but it is now well over \$30 billion. No wonder in 2008 the Moody’s Investors Service credit rating agency described the Labor record as one of outstanding financial performance supported by robust growth in tax revenues, prudent fiscal management and a moderate debt burden, whereas the August 2014 comment by Moody’s on the Liberal Party record said it was a weak policy response to deteriorating financial and debt position. There is a real seriousness there. On this issue of burdening people with debt, I recently saw the documentary *Sicko* put together by Mike Moore on the American health service, in which the British parliamentarian Tony Benn talked about how we need to meet people’s needs and make sure —

Mr A.P. Jacob: That’s where you get the term “the Bennite solution”.

Mr C.J. TALLENTIRE: Yes. I will talk a bit more about what Tony Benn pointed out when he talked about how the British health service was meeting people’s needs. It is a system that is paid for according to people’s ability to pay through taxation and the National Insurance scheme. That is how that system works. However, Tony Benn pointed out that there has to be a vibrant democracy—he described himself as a democratic socialist—in which people are prepared to speak out and criticise. He said that, unfortunately, some extreme capitalist views have taken us in the direction of saddling people with massive debt and therefore ensuring that they are fearful and then giving them other fears as well—the xenophobic-type fears that we hear about all too often. Making people fearful and debt-laden means that they are too scared to speak out. They cannot afford to lose their jobs; they are fearful and they are told that if they do not work hard and keep their heads down, they will lose their jobs to migrant workers. Tony Benn made this point in his comments to Mike Moore when looking at this issue of the various health services, pointing out the failures of the American health system compared with European health systems and our own Australian one as well, although that is not directly referred to in the documentary. The reason I mention that is we have debt levels, not just at a personal level, but at a state level and I am asking what impact that has on the morale of the state and the vision for the state. At an individual level, when people are burdened with fear and debt, they contract. They are not creative, hardworking performers; they are compliant but unhappy workers who are vulnerable to all sorts of other things. If we accept that that occurs at the individual level, what does it do at the state level with a state that is so heavily burdened

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with debt? What is that more than \$30 billion of debt doing to our state's capacities in so many ways? I am sure that it impacts on the vision with which our leadership can guide us. I am sure that it means we have a contraction in thinking; we lose creativity, we lose so much because we have this debt. Of course, there are the fiscal problems that come with it but all kinds of other things are associated with massive debt.

I return again to the issues that are occurring in my electorate. I think the provision of a Nyoongar Patrol is a very important issue. I am pleased to say that, over the last few years, we have had—albeit a skeleton service—a Nyoongar Patrol service. Looking through the budget papers, it is unclear how that program will be funded because the government has been talking about moving it from the Aboriginal affairs portfolio to the drug and alcohol portfolio. I am not sure why that has been thought about. Certainly, the people who run the Nyoongar Patrol have objected strongly to this idea. They have presented me with very good information on how they see this as being problematic. They pointed out —

The Department of Aboriginal Affairs has its own Minister that can address Aboriginal issues in broad spectrum with a holistic approach, therefore, we strongly believe that the importance of linkages in terms of data, program outcomes, social issues and current trends in relation to Aboriginal people is best positioned in the Department of Aboriginal Affairs, with the Aboriginal Affairs Minister.

They point out that if the Nyoongar Patrol is the only frontline Aboriginal service dealing with the broad spectrum of social and racial issues, then they believe —

... the Alcohol and Drug Office is not positioned to address the specific/complex and broad needs of Aboriginal people. Their speciality is delivery of alcohol and drug treatment programs, targeted at substance misuse, and contract management.

It is not about that broad spectrum of issues that some Aboriginal people face in my area. These Aboriginal people are not always residents in the area; they are often visiting from other parts of the state. Nevertheless, we need a strong Nyoongar Patrol that is well funded, not one that is being kicked around. We are not meeting a key need of my electorate if we are not looking after the funding of a program such as the Nyoongar Patrol.

I now turn to other issues in my electorate: antisocial behaviour and the problem that is emerging at the Spencer Village shops in the member for Cannington's electorate. I just got a report from someone saying that begging is going on at Spencer Village, asking whether we can do something about it and what it is a sign of. My constituent Pat Kenny, who is very active in reporting to me things such as graffiti and other antisocial behaviour, reported that this issue needs to be tackled. To their credit, the local police are on to it, but I fear it is a symptom of our times and one that needs to be tackled. Other issues in my electorate are very typical of the times as well. We are still suffering—I think we will for some time—from the aftermath of the local government forced amalgamations debacle. I have heard the Minister for Local Government say to people in local government that they have been put through hell and back, and forced through so much turmoil. To his credit, the Minister for Local Government apologised for that. One of the consequences that I am concerned about is, having gone through this terrible time, the temptation for some in local government to go to a single ward system—not to have individual wards with assigned ward councillors. This comes back to my constituent Pat Kenny's point that if he has a relatively minor issue—something to do with graffiti or begging at the local shopping centre—there is not a ward councillor he can talk to about that problem because, in the City of Gosnells, we have only one ward and we do not have that nice accountability. This is a consequence of that turmoil that we put local governments through, but it could become more widespread. Other local governments might be tempted to go down this path, which would be a real mistake.

Another issue that just came into my office in the last 24 hours is from John Blumberg of Otterden Street in Gosnells. He is 91 years old, but he still catches the train so he needs to get to Thornlie train station. Much to his surprise, he got a parking fine because he did not realise that the whole station car park now requires a parking ticket. He thought—I must admit, I had the same view—that it was only half of the station that required a parking ticket, but people now need a parking ticket for the whole area. He was caught out and has a \$50 parking infringement. He said to me that the idea of giving seniors free travel at night was all very well, but he did not think he would use it. He will not be going to the theatre in Perth at night and then wanting to come home by train. He needs to be able to get the train at 8.30 in the morning because that is when he often has appointments scheduled at Royal Perth Hospital. He points out that —

Mr D.A. Templeman interjected.

Mr C.J. TALLENTIRE: He is a very active 91-year-old, as many of my seniors and elderly people are. I personally like the idea of encouraging seniors to use the train at night and to dispel these fear campaigns that say there is an absolute crime wave on the trains. My experience when I catch the train at night is that they are

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quite well frequented in terms of patronage—there is a good number of people. The problem is not so much on the train; the problem is when someone gets off the train.

If someone gets off the train and their station is located in such a way that there is just no-one around, that is perhaps when they run the risk of facing crime as they walk from the station to their homes. If they have a kilometre or so to walk along unlit streets, that is probably when they are much more vulnerable.

Mr D.A. Templeman: They've come up with a new nightclub in Mandurah called Dentures; it is a special one set up for this!

Mr C.J. TALLENTIRE: I will one day make it to Dentures nightclub, no doubt, member for Mandurah!

Another issue we found is the problem of the security rebate scheme. The government has talked about its commitment to providing a home security rebate scheme. But when we scratched the surface on this one, there was nothing there; it is now not available to people at all. I have in my electorate some very nice residents at Riverside Gardens, and unfortunately there was a little bit of a crime wave there. Mr and Mrs Gregory spent \$1 000 on security shutters, and they were comforted in the fact that they thought they would get at least \$200 back out of the home security rebate to ease the pain of their expenditure. But then they found that, no, they were not eligible. To be eligible, they would have had to access the rebate within the last 12 months or so, they would have had to have then been burgled again, and then they would have been eligible. It just seemed incredibly restrictive. How many people actually managed to meet the criteria to gain the home security rebate? It is beyond me.

Another issue is Department of Housing maintenance. I must say that when people come to my office and we get on to the ministerial liaison offices, we get an excellent response.

[Member's time extended.]

Mr C.J. TALLENTIRE: The problem is that people have to come to my office in the first place. Joyce Kickett of Bert Street, Gosnells is a lady in her sixties who works at a hospital in the city. She does her best to maintain her Homeswest unit, but sometimes has to make complaints. She identified that with the rains over the weekend there was going to be a problem, and a problem did emerge in that the roof was leaking. It was only when my office lodged a complaint that things were done. There were two blokes out there later on, she said, and they were able to tackle the problem. But it should not have been necessary for Mrs Kickett to have to come to my office to get action.

I can go on about the sorts of commitments that the Barnett government promised. When we went into the election, of course, big commitments were made around refurbishments of schools that were built before 1980, and for high schools in my area. People thought that if they got Labor in, there would be some big expenditure because we made promises in that direction, and they thought that if the Liberals got in there would still be some degree of action, yet nothing at all has happened. We have freedom of information documents showing that the Minister for Education is perfectly well aware of the need for multimillion-dollar upgrades at both the schools, yet nothing has happened.

There is so much to be disappointed about by this budget. It has come about because the proceeds of the boom have been lost. We have wasted them; we have squandered them. We do not have them there and we are failing to meet people's needs. We could have done; we had the capacity to do it. We had so much wealth going through the state, but it has all been squandered. It is lost to us, and my constituents are suffering.

One bright spot for the electorate, though, is that the federal government had said that if we were to find \$16 million at a state level, the federal government would match that to do a grade separation of a train line crossing over Nicholson Road. I see that money is there in the budget, so at long last we will achieve that grade separation. I believe it will be done in such a way that we will be anticipating the eventual extension of the Thornlie line through Mandurah. That is certainly something we have promised on this side of the house. We committed to that when we had Metronet, but unfortunately we lost the last state election so, of course, that is all up in the air now as to where the state's finances are because, again, we have squandered the proceeds of the boom. We are not going to be in a position to meet the needs of the people because the money has been lost and has been spent on these vanity projects instead. That is an absolute tragedy because it means people will be faced with the prospect of more and more traffic jams, and little to be able to look at as an alternative for getting to their workplace. We have also had problems with money being clawed back from the City of Gosnells; \$486 000 has been clawed back by Main Roads Western Australia after that money was promised to the City of Gosnells for some traffic flow improvements at a big roundabout. Those are problems that we are facing.

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I turn to my shadow portfolio area. I know that during the estimates process we will get into a lot of detail, but I pick up on an issue I have tackled the minister on before—the land for wildlife program. The minister dismissed this as a volunteer program, and therefore something he should not be worried too much about funding because he has lots of the state to worry about in the conservation estate. But bear in mind that we only have a bit more than eight per cent of the surface area of the state in the conservation estate, and bear in mind that that does not cover all the state's biodiversity by any means. Indeed, I noted in the Department of Parks and Wildlife section of the budget papers, this comment —

Priority will continue to be given to facilitating preparation of a new Biodiversity Conservation Act to replace the *Wildlife Conservation Act 1950*.

That is very good. Then —

Western Australia has a unique and highly significant biodiversity that faces constant threats and complex challenges, requiring integrated multi-disciplinary approaches to conservation and management.

Multidisciplinary approaches to conservation and management, I thought, was something the Liberal Party understood and that that complex management would involve partnerships between state and local government. Why on earth would the state government withdraw from the land for wildlife program the regional offices? In fact, they were not particularly expensive; the cost was 3.5 full-time equivalent staff members. Why would the government remove them from the department's workforce to save a relatively small amount of money and lose that capacity to leverage private landowners to help with the conservation of our biodiversity in its diverse range of habitats—all those different threats we have to face, all those different species? The task is, I am sure the minister would concede, beyond the current resourcing of the Department of Parks and Wildlife. It is just logistically impossible for the Department of Parks and Wildlife to look after all the species because many of the habitats do not occur in the conservation estate. So, we have, on the private lands, the capacity to work with private landholders, and indeed pastoral leaseholders, to look after the habitat, to provide for various threatened species, threatened ecosystems and to preserve our natural heritage. But this minister, I am afraid, does not understand that. He has been seduced by the simple idea that it is the job of the Department of Parks and Wildlife to be a parks manager and to just focus on the lands contained within the conservation estate. I think that is a dangerously narrow view of how we should be looking after our natural heritage.

I will turn to one other aspect of my shadow environment portfolio and that is a comment made around the streamlining of the process for regulation of emissions and discharges and clearing of native vegetation, which reads —

These amendments complement the Department's ongoing program to improve its regulatory performance and processes.

We will come to this in much greater detail during the estimates process, but I am concerned. The minister's regulation of emissions and discharges is so poorly wanting at the moment, how could the minister be possibly contemplating streamlining it further? We are always given the information about the time that is taken to process applications and the time that is taken to drive the sausage machine, but these days we do not get much in the way of reporting on the environmental benefit of a particular program, which has been a great loss.

Recently, I took up another issue with the Minister for Environment on bilbies in the West Kimberley. I talked about some clearing permits that have been issued and how it has since come to light that those permits cover areas of bilby habitat. It appears that it was not known at the time of issue of those permits that a bilby habitat was there. This raises an issue: what do we do when poor quality environmental assessments take place and we have poor quality consultant information? On this occasion, the GHD consultancy failed to find that a considerable numbers of bilbies lived on this LandCorp land. Normally, GHD does very good work but on this occasion it failed. I do not think we have the mechanisms in place to apply quality control to the reports of consultants. When we tackled this matter in question time recently, the minister suggested that there had been no appeal on these clearing permits, which is a very interesting point. If the minister is suggesting that he is reliant on the appeals process to protect areas and to provide the local information, he is really stretching his reliance on the community sector. Previously, when discussing the land for wildlife program, the minister said that he was not so sure that the volunteer sector had a role to play, but now he says that when it comes to running the assessment process for land clearing permits that the community sector has to be involved, and if it does not make the appeals then the minister should not be held responsible. That is how I interpreted what he said at question time the other day. However, the fact is that some poor consultancy work is taking place and we must have mechanisms to deal with that.

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I want to quickly touch on some important environmental works funded through the Minister for Agriculture and Food's portfolio, in particular the natural resource management scheme. On 27 May 2014 the minister announced the latest round of funding and that the program would be provided with \$24 million over three years in the forward estimates—\$8 million each year. It is now one year later and we have still not seen an announcement calling for new applications. Anyone who had it in mind to do a project does not know whether they have any money, so they cannot put in an order, say, for seedlings to do a revegetation project. In fact, if they were to put in an order now, they would probably be told by a nursery that it is too late and that they cannot grow the stock for them—they have missed out! What a hopeless state of affairs. Bearing in mind that much of these natural resource management programs occur in the regions, this shows the lack of care and consideration given to this program. This money principally comes from the royalties for regions program. Surely it could have been made available in a timely fashion so that we could have had good natural resource management projects this year, but now we are going to miss out.

This budget fails to meet the needs of Western Australians because of a mismanagement of our finances. We have massive debts that mean we do not have the money to provide for the needs in our electorates and across all the portfolios of the state. It is a very sad state of affairs when this state had so much wealth that has been squandered and we are now missing out, which is totally unfair.

MS S.F. MCGURK (Fremantle) [9.54 pm]: I rise to contribute to the debate on the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015. I would like to comment on the impact of the state budget on my electorate. I will start by highlighting what a number of other members have pointed out; that is, the headline figures of an increase in net debt from \$3.9 billion in 2008—it seems like such a modest figure now—to in excess of \$30 billion over the forward estimates. The growth in total public sector net debt has occurred despite record growth in revenues from 2008 to 2014 under this state government, and despite a 40 per cent growth in revenues, there has been a 50 per cent increase in spending over the same period. We know that this state government will preside over the state's first operating deficit in 15 years, estimated for 2014–15 to be \$1.3 billion, and that it will increase significantly after that. One of the big concerns overriding the budget management overall, which is the subject of a lot of debate in this place, is that while there are supposed to be processes in place for the government to ensure that projects are selected and built on the basis of delivering optimal economic benefits to the state, largely those processes are ignored by this state government. We have seen a range of big headline announcements that have driven home the fault of this state government; that is, the way it has managed finances and made key economic and infrastructure decisions. It is very frustrating, and it is not difficult for the public to understand that when they see, for instance, the debate we had earlier today about the decision to privatise Fremantle Port Authority. That decision is being made at what is obviously a very poor time in the current economic cycle. Whatever people think of the decision to privatise or to sell off Fremantle port—unfortunately we do not have the numbers in this house to stop that decision from ultimately going through—they would expect it to be made in a thoughtful, strategic and planned way to get the best return for the taxpayers of the state. In the current economic climate, that can hardly be expected. That is a good example of our concern when we do not see well thought out planning or attention paid to proper strategies by this government in investment and economic management. I want to talk a little more about the privatisation of Fremantle port. As I said earlier today in the debate on this question, the public would wonder about the wisdom behind selling a revenue-raising asset, particularly when that sale will not drive further investment into similar revenue-raising infrastructure or other key infrastructure. We are seeing none of that strategic thinking on the part of this government. We know that in the last year alone, Fremantle port returned about \$45 million in revenue to the state government, but since the announcement of the sale we have not seen any sort of investment in other similar strategic or revenue-raising infrastructure. It is very much wanting for that reason.

Another issue is the timing of the so-called fire sale. People want a longer term view of management of assets. They are frustrated about that. We have not seen any sign of that sort of thought-out process by this government since it was elected in 2008. Members in this Parliament are also frustrated about that—that is, if the government sells the assets at all.

The Labor Party will need to look closely at a number of issues regarding the sale of Fremantle port. I referred to one earlier today, and that was the number of containers expected to go through Fremantle port. It is pretty remarkable that during debate earlier this afternoon the Treasurer made much about expecting Fremantle to want an infinite number of containers to go through its port. Remember that Fremantle port was established in 1897; so it is nearly 120 years old. I do not think anyone expected that it would be as successful as it has been. As a piece of infrastructure, it really has been quite remarkable. To have that sort of container port in the middle of a metropolitan area, which is effectively what it is, in the middle of such a built-up area as Fremantle—essentially a suburb of Perth—and expect there will be no implications if an infinite number of containers go through that

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port, is incredible. That should not be the view of this government. We should manage the amount of freight going through that port. How freight is transported in and out of the port is crucial for a number of reasons. It is crucial to ensure that there is good productivity, particularly by logistics companies managing the freight in and out of the port. It is also crucial for the amenity of the community that lives around the port. That is not just the immediate community. My electorate and perhaps the Premier's electorate are directly impacted by the port, but I am really talking about the metropolitan area. Those freight issues bleed throughout the metropolitan area.

There needs to be a lot more focus on these issues as well as public discussion. This government is proposing a huge increase in the capacity of Fremantle port in the number of eventual containers going through it. In previous debates about this, up until now we thought it would be 1.2 million containers. Perth Freight Link is predicated on 1.4 million containers. The Minister for Transport talked about the possibility that we could extend Fremantle port for another four or five years past that. Looking at the current percentages of growth—this year, for instance, it is about 10 per cent per annum—if another four or five years are added to the 1.4 million container projection, it could quite conceivably get to 1.7 million containers. The stevedoring companies do not see any problem with about two million containers going through the port. They say there is a laydown area for about two million containers. The question is: do we want to see two million containers going through Fremantle port? That is almost three times the number of containers we see now. About 700 000 containers go through Fremantle now. If the number of containers at Fremantle port goes up to 1.7 million, that is two and a half times the number of containers we have now. The stevedoring companies say that the laydown area could handle about two million containers. Do we really want three times the number of containers going through Fremantle port than we have now? Is that this government's proposal? If that is this government's proposal, it should have the guts to say it publicly and debate the merits or otherwise of that strategy. I think that is the implication of the investment that the government wants to see through the Perth Freight Link. It wants those infrastructure dollars directly invested into the 120-year-old Fremantle port.

Make no mistake, like most of my constituents I want to see Fremantle port continue as a working port. Most of the industry that talked about the need for an outer harbour recognise that Fremantle port would continue as a port in the short and medium term, and perhaps long term. It may increase while the outer harbour is organised at Kwinana, but then settle down at about 600 000 containers. If we got 30 per cent freight on rail, truck movements in and out of Fremantle could drop back significantly from current levels.

In understanding the implications of a sale of Fremantle port, we need to know exactly how many containers in that port the sale is predicated on. It is really important that we understand that. Another issue is: what are the implications for the outer harbour? Will investment in the outer harbour be part of the sale of Fremantle port? That is also very important. So far, we see absolutely no indication from this government that it is dealing with the short, medium and long-term issues about freight management that is really needed in this state; that is, the creation of the Kwinana outer harbour. As I pointed out earlier today, the government's Perth Freight Link documents assume that the new harbour will be up and running by 2022. It was a little concerning to me during debate this afternoon that the Treasurer looked surprised when I said that. Perhaps he might want to have a closer look at the business case executive summary. That is all we have seen. We have not seen any detail of course about Perth Freight Link.

Mr P.C. Tinley: God forbid that we would see some detail!

Ms S.F. McGURK: Yes, God forbid that we would actually see some detail!

Another implication of the sale of Fremantle port will be what charges apply under the sale agreement. There has been some publicity in the last week about a huge increase in charges in Newcastle and also in the soon-to-be-privatised Melbourne ports. In the case of Newcastle, it is a privatised port; in the case of Melbourne, it is a soon-to-be-privatised port. Glencore, which is one of the world's largest miners, has called for the port of Newcastle to be regulated by national competitive authorities after its shipping charges were increased by 60 per cent. There have been massive increases, as there has been in Melbourne.

The question about Fremantle might be: will there be limits on what sort of charges will apply for private operators? I am reading from a report in *The Sydney Morning Herald* from 14 May that states —

Glencore has estimated Port of Newcastle's revenue from navigation charges will rise about 40 per cent, or at least \$20 million a year, after the changes. It said it had been advised by the NSW government that "there is no form of control" over price increases at the port.

It will clearly be an issue for industry to understand what charges will apply to a privatised port. It also begs the question: if the state government is not going to influence what charges apply at the port, why does it not

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increase the charges itself? Western Australian taxpayers could be the beneficiaries of any increase rather than a private provider. There should be transparency. That is a key issue about price management of charges at the new port. The effect of the private operator on the surrounding community will be a huge issue. It is hard enough getting decent dialogue with the state government on the effect, particularly of transporting the freight in and out of Fremantle port—for instance, the number of trucks. It is hard enough getting that discussion with the state government. We know from experience that a private operator will simply say, “This is our business; sorry.”

Mr P.C. Tinley: Commercial-in-confidence.

Ms S.F. McGURK: Commercial-in-confidence or, “This is our operation. We’re sorry; we really don’t have any obligation to take community amenity into account.” That was really highlighted by the grain rail asset sale issue. There was that huge issue around the sale of the tier 3 freight line. But also in my own electorate there is a question about the noise of the rail as it works its way through Fremantle. A lot of people think that the noise is an issue around West End. In fact, that is quite well managed. But as the rail goes down to South Fremantle, it is not well managed. So far, there has been little joy from the private operator. The state government’s Department of Transport says, “It’s not our concern; you need to talk to the private operator”, and the private operator says, “Sorry, but we do not really think this is an issue.” This will become more and more of an issue as all that development occurs. I do not know whether other members are aware, but a huge amount of development is occurring in North Coogee, essentially, and all along the coast south of Fremantle. Tens of thousands of residents are expected to move into that area as developments are approved. A lot of that development is being approved very close—I think inappropriately close—to the freight line. So, people are going to buy into that area. Even on the government’s own traffic modelling under its Perth Freight Link proposal, which the Treasurer says to people in his electorate will take 500 trucks a day off Leach Highway, those figures assume 30 per cent freight on rail. If the Treasurer wants to move 1.7 million containers through Fremantle port, let alone 2 million containers through Fremantle port, and he does not achieve 30 per cent freight on rail, there is no way he will get fewer trucks on Leach Highway; he is only going to get more trucks. If the Treasurer was honest with his constituents, he would say that is exactly what is going to happen. They are all the issues that need to be taken into account with the sale of Fremantle port.

I want to raise some other issues in relation to the state budget. Speaking of the target of 30 per cent freight on rail, the current level is around 13 per cent, and the state budget assumes that this will increase to 15 per cent. Every state budget under this government had assumed an increase of freight on rail, and at no time have they actually achieved it. That is because the government has no strategy and no plan for achieving that increase. The Treasurer is going to remove the subsidy, I notice that. But the Treasurer’s predecessors—there were so many of them—did that as well. The freight on rail subsidy has been removed, and that is of concern. But most of all, there is no plan to increase the amount of freight on rail, not even to 15 per cent, let alone 30 per cent—absolutely no plan at all. What is needed is an investment in infrastructure, probably in the replacement of the traffic bridge, which we know is vulnerable, and a separation of the freight and passenger lines. That would give the sort of quantum increase in the amount of freight coming out of Fremantle port on rail. The management by this government of freight moving out of the port by rail is completely absent. There is no strategy. All we have is a management of trucks—more and bigger roads, and more and more trucks. That is really the message that the people of Perth need to understand when it comes to freight management by this government.

[Member’s time extended.]

Ms S.F. McGURK: A key issue in my electorate is for the government to honour its 2012 commitment to relocate the Department of Housing to Fremantle. I think it is ridiculous for the National Party representatives in this house, including the Leader of the National Party, as well as the member for Pilbara, to say that Fremantle wants a handout from that relocation decision. We want an honouring of the state government’s commitment. The state government committed that it would move the Department of Housing to Fremantle, and it should honour that commitment. We have not seen any costings of how much that relocation would cost. I do not know whether that will cost the government. Maybe there will be an up-front cost, and I expect that eventually that cost will be recouped. If the government had not done that analysis, why did it make the commitment in 2012? It did not say it would look at the business case; it said it would move this department. The benefits for Fremantle would be significant and appreciated if the government honours its commitment. I know that a number of people in Fremantle hope against hope that this commitment will be honoured. I do not see much indication of it, but I am very happy to be proved wrong. It will not only deliver in the medium and long term, hopefully, about 1 000 people working in Fremantle to replace the 1 900 health workers we lost out of the Fremantle Hospital, but also in the short term will ensure development to build the office space necessary. I hope this government’s commitment is honoured. There is no sign of it in the budget, except there is an announcement about selling off

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government buildings. I guess where there is life there is hope, and I hope the government will honour that commitment.

I was also hoping to see a bit more detail about Davis Park in east Beaconsfield, which is an area of concentration of public housing. The Minister for Housing put out a pre-budget press release headed “\$560 million to house WA’s vulnerable” announcing that 1 000 public homes would be provided by 30 June 2017. I am sure there is a lot of devil in that detail and I am not sure how much of that is new homes or new money, but I am interested. I quote from that release —

“The focus will be on constructing new homes ... and renewal of existing public housing sites.

I draw a glimmer of hope from those few words that perhaps there might be some announcement relating to Davis Park, in Beaconsfield, which needs some attention.

I place on record my recognition that there has been some provision for Fremantle College with a \$30 million promise of capital expenditure for the amalgamated schools of Hamilton Senior High School and South Fremantle Senior High School and provision to begin those capital works in the budget, which is appreciated. That project will take not just capital dollars but also recurrent expenditure. But, most of all, it will take a commitment from the government to ensure a subject selection that will enable those amalgamated schools to meet the changing demographics in our area. We need to offer university entrance subjects at the college itself. I hear there is a commitment to do that and we will be following that very closely to ensure that takes place. The member for Willagee and I had a briefing from some departmental representatives in the last couple of weeks who indicated that there was a commitment to start to offer some of those subjects from next year, which is appreciated.

Money has been allocated to the reconfiguration of Fremantle Hospital, which is also appreciated and necessary. About 50 per cent of the work that was done at Fremantle Hospital has been taken away and given to Fiona Stanley Hospital. We have a big public asset in the middle of Fremantle that we need to make sure is properly utilised. At the moment, it is looking very tired, but I am hoping that after those building works there will be a utilisation of that space that will attract other health workers, or other allied services work, to ensure a good use of that health infrastructure in the middle of Fremantle. The people of Fremantle would welcome the government reconsidering its view on the closure of the emergency department.

I want to spend a few minutes addressing two key issues that have come up recently. I do not know whether there will be budget implications for these issues, but there might well be. One of the things that concerns me about the parlous state of our finances is our capacity to deal with these issues if they come up. One of those issues is the coroner’s inquest taking place at the moment into the deaths that occurred of people who were admissions to Alma Street Centre. Members in this house might be aware of this issue, which has had some media publicity recently because the coroner’s inquest is now taking place. Geoff Diver, the father of one of the patients who died, has been very vocal in his criticism of the way the public mental health system dealt with his daughter. It was a very tragic situation, as were the spate of deaths being examined in this coroner’s inquest. We do not know what the outcome of that inquest will be. As members might be aware, the immediate past head of health, Bryant Stokes, conducted the inquiry into our mental health system. He came out in a rare display of frankness on our public mental health system and said he was frustrated that not all of the recommendations from the report had been adopted. We need to take notice of that and perhaps in the budget estimates process there will be an opportunity to examine whether the relevant minister is looking more closely at the implications of the recommendations of the Stokes report and the final outcome of the coroner’s inquest, when we hear it.

Another issue that has come up recently in Fremantle, which I raised last week in this Parliament, was the decision by the City of Fremantle not to apply to the state government to manage Warrawee Women’s Refuge. In making that decision, the council broke the 40-plus year association with that women’s refuge. The reason Fremantle council decided to do that was that it thought the state government was having a lend of it, to use the vernacular. The state government had continually cost-shifted back to the council and was proposing a three-year funding agreement for Warrawee with fixed funding of \$471 000. The funding was already inadequate; nevertheless, the state government was proposing a three-year contract with funding fixed for three years. In 2013–14, Fremantle council put \$143 000 into the refuge and in 2014–15 it was less—I think it received \$50 000 from the state government, and it proposed about \$85 000. Fremantle council has said it has had enough and that it will not apply to manage the refuge anymore. Therefore, the state government has foregone that contribution by Fremantle council. I am not entirely without criticism of Fremantle council for making that decision; it was a very close vote on the night between the councillors—I think there was a vote on it. It is a real shame because I think there would be quite a lot of support in my electorate for the local council to contribute money—let us say it was \$100 000—to the refuge. I think there would have been support for that, notwithstanding that Fremantle

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was only one of two councils, as I understand it, that actually ran a women's refuge. They are mostly run by not-for-profit organisations. The benefit of a council running it is that there is increased connection to the community and local elected representatives, and essentially the conditions of people working at that refuge are better than can be offered by not-for-profit organisations, which are in a very difficult position. I think the way Warrawee Women's Refuge has been treated is an absolute shame.

MR P.C. TINLEY (Willagee) [10.24 pm]: I rise to contribute to the second reading debate on the Appropriation (Recurrent 2015–16) Bill 2015 and the Appropriation (Capital 2015–16) Bill 2015. I join the evening show here at West Perth to make a contribution to the worst budget ever in the history of this state delivered under the leadership of the worst and the most unpopular Premier of this state and what is soon to be known as the worst Treasurer in the commonwealth. He is a man who has devoted his entire adult professional life to economic conservatism, ironically presiding over \$30 billion-plus worth of debt, a deficit the size of which we have never seen before and a revenue-to-debt ratio that defies understanding. He is the recipient of some of the most stinging barbs from his own peer group in his previous professional life about the conduct of the Western Australian budget and about the fiscal position he has put this state in. I could stand here for 30 minutes and rail against the ignorance of this government or the complete indulgence of this Premier and decisions made about seven Treasurers ago, well before the Treasurer took up the role, and talk about the inherited nature of the debt and the implications it will have on successive generations of Western Australia, but I will not. That has been done and will be done again by my colleagues time and again in the next 18 months that we have to endure this government.

I want to turn my speaking time to the impacts of this budget and to dispel some of the myths and mystery that this government wants to perpetrate on the people of Western Australia, certainly the people of Willagee in the greater Fremantle area, and the confected story it wants to put around some of the spending and some of the cuts. One of the things that has always troubled me with this government is its much-lauded approach to education spending, talking about "the biggest spending ever" and all the lines it uses about its contribution and spending. All we heard today in this very Parliament was comment on a series of capital works that the government will undertake in education, somehow suggesting that that in itself is justification for being awarded the best education government in the history of Western Australia. That is complete nonsense. The population growth of Western Australia, of itself, would naturally require in a linear fashion the presentation of education infrastructure.

[Quorum formed.]

Mr P.C. TINLEY: The Leader of the House will want to hear it. I will not touch on planning—maybe I will if I get time.

This government always talks about the record spend it has undertaken on education funding, but that is complete nonsense. Certainly, I could not figure out why people at every school that I go to would talk about cuts to their spending. As chair of the Hamilton Senior High School board, I saw hundreds of thousands of dollars ripped out line by line by the budget decisions that had to be made at our school. Of all the schools in my electorate, none were left untouched and we could not understand the correlation between what the government was saying about spending on education and what we were experiencing at the proverbial coalface where services were being stripped out, education assistants thinned and there was, and is, substandard delivery of quality education in Western Australian schools. During the Treasury budget briefing today I realised that with one-line budgeting and the way cost shifting has occurred, the global figure may well have increased in real dollar terms proportionately per student. When the global figure is applied, of course, it looks good, but when we strip out the grudge buy that each of these schools has to participate in, we can suddenly understand where these cuts have occurred. I am talking about the inability of schools to affect real control over costs. I will give members a good example of this. When there are mandated requirements for costs imposed on schools, such as mail, that state that the school can have only eight items per year to communicate to their parental communities and the mandated messages—the edicts from "Silver City"—must go out, it does not leave a lot of room for the school to actually communicate with its community, parent group and students. Despite the best intentions of electronic communications—social media and direct email—there is still an imposed cost put on schools. On top of that, the cost of utilities has been transferred to the business unit, if one wants to define it as that. The cost of maintenance and salary increases outside the government's wages guidance all add to increasing costs at the school level. Increasingly, principals have to make decisions about the reduction in the quality of education our kids enjoy or would enjoy.

No better example of that is what had to happen in the Fremantle schools area, which drove the requirement to amalgamate Hamilton Senior High School with South Fremantle Senior High School. Students could not get an

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Australian tertiary admission rank level education in any one school in the Fremantle schools area. Students had to get on a bus and travel between schools. If they did chemistry, they went to South Fremantle. If they did physics, they went to Melville Senior High School. If they did one of the other science subjects, they went to North Lake Senior Campus. Courses were spread all over the place. Is it any wonder that parents voted with their feet and took off? Students are travelling all over the place to try to get a quality education that the public education system should provide in an area with a changing demographic that demands it. Young families are moving back into the inner-urban ring—if members want to put it that way—to renovate houses in those suburbs and reinvigorate the schools. There is an unmet need and the cost of education in the area I represent, particularly Hamilton Senior High School, has been dealt a severe blow by this government's approach to fiscal management and the delivery of services that the people of Western Australia expect.

That is not the only impost. Ironically, Hamilton Senior High School is amalgamating with South Fremantle Senior High School on the South Fremantle campus. The geographical position of Hamilton Senior High School on the corner of Stock and Forrest Roads means that half the school will be consumed, at best guess, by the turning point from Forrest Road, or what would be the end of Roe 8, onto Stock Road. Hamilton Senior High School is a punctuation mark between Roe 8 and Roe 9 and, as it turns out, the school would lose half its campus anyway. So it seems that the decision had already been made about the amalgamation of Hamilton and South Fremantle Senior High Schools and on which site.

It is a genuine problem, but the Perth Freight Link, as it is now known, is shaping up to be one of the biggest impositions on my electorate that I have ever seen. Cuts in education funding are the silent killer of the future opportunities for our children, but the Perth Freight Link drives a significant wedge right through my communities. It is a dirty great big black scar of a road to nowhere. We do not know the size of this piece of tarmac, the extent of the road reserve or the implications, because we have nothing from this government in the way of transparency. The South Metro Connect website has a significant amount of information about Roe 8 and the destruction of the Beeliar wetlands, but it has next to no information about stage 2, which is Stock Road to Leach Highway, and Leach Highway to Roe 8. People ask how I can say it is a road to nowhere, when it goes to the Fremantle port. The fact is that it is a road to nowhere in two ways—physically and metaphorically. Physically it is a road to nowhere because the government is spending \$1.6 billion to cleave a black scar through my suburbs. It will turn on to High Street, and then it will go to the Stirling Highway traffic lights. It will have a grade separation, which will rip out homes, half the golf course and the community groups there, and it will turn onto Stirling Highway, hit the Stirling traffic bridge and stop dead. It will then have to go through four sets of lights.

Mr W.J. Johnston: Hang on, member. Are you saying they are going to build a freeway and a new set of traffic lights?

Mr P.C. TINLEY: There will be a freeway that will come to a grinding halt, and it will trickle through what we used to call the new traffic bridge—the Stirling Bridge. It will go through four sets of lights and a level crossing to get to the port. That is nothing short of criminal. Is it any wonder the minister is seriously contemplating the idea of a tunnel, because he is suddenly realising that the costs associated with the reclamation of land and the delivery of grade separated intersections will make that \$1.6 billion look like small change at the end of it. We have been focused on people losing their homes who never thought they would lose their homes. We will have more to say about this tomorrow, but there are also the businesses on Stock Road that have invested heavily to provide the retail amenity that the people of Fremantle generally, and of my electorate specifically, enjoy. I have received letters about these. I am talking about Alf Rebola's Good Guys store, a Harvey Norman outlet, a recycling shop and a trailer manufacturer that have received a letter that their land is potentially—I have to use that word "potentially" because we have no detail—about to be consumed by this black scar. We have no idea that the road will not take out the entire businesses or the verge. It is a significant problem for people who are trying to operate businesses and employ people in my electorate, and it is an absolute crime.

[Member's time extended.]

Mr P.C. TINLEY: Another subject I want to talk about is the privatisation of the Fremantle port. The government can say what it likes about a 49-year lease. I have the privilege of being a member of the Economics and Industry Standing Committee and I could not help but see parallels between the language used in public comments by various government members about the privatisation of Fremantle port and the language used about the grain freight rail, or the tier 3 lines, that we investigated. One thing that struck me was a saying that we heard during those hearings on the subject of monopolies. It is quite odd that we should be surprised that when a public-owned monopoly is privatised, all we are doing is privatising a profit. A monopoly is a monopoly is a monopoly. If it is privatised, there will be an expectation of profit by the purchaser and then flexibility will be lost, as occurred with the grain freight rail. There will be no capacity whatsoever once those dealmakers and the

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spivs from the various banks get into this; they will squeeze the asset and absolutely ensure that they get maximum value out of it. It is very interesting that the Premier should attack the very organisations that made some of the biggest investment in this state through the mining boom, Rio Tinto and BHP Billiton Ltd, and threaten them with all sorts of intervention in the interpretation of their state agreements and suddenly say that he is a free marketer and agrees with it all, yet in relation to the port, he will be quite happy to make the charges levied on the businesses trying to bring in the goods and services that make the state go around more and more expensive for the people of Western Australia. This is a problem for consumers. This is a problem for businesses. This is a short-sighted, no-vision arrangement instead of a proper comprehensive approach to freight networks within Western Australia.

I want to turn to Hamilton Senior High School. It has been very rewarding to be the chairman of that school board and watch it transition into an independent public school, with all the difficulties associated with that. I would like to acknowledge in this place the school principal, Donna McDonald, an outstanding leader and administrator in our school system. She, like so many in her profession, makes this system world class not because of money spent by this government, but because of her sheer will and professional capacity to deliver outstanding education. Leadership at the front of the classroom is, in my estimation, one of the hardest things anyone can ever do. Leadership of an organisation such as a high school, transitioning now as it amalgamates, is an absolutely essential component, and Donna McDonald has led that in absolute spades and should be congratulated and has my full-throated support. Of course, supporting her on the board is her deputy, Phil Casas. The guy knows numbers like nobody else and can slice and dice the statistics to ensure that the board is always well informed and can never misinterpret the data. He is an outstanding statistician and an outstanding administrator, and he also has my full support. The board is ably supported by the school's business manager, Danae Jolley. Danae has been an excellent administrator at the school, particularly in juggling all the various threads that fall between the cracks; she is always there to pick them up. We are also joined by Lyndsey Wetton, a councillor at the City of Cockburn, who makes an outstanding contribution. She also works for the Western Australian Council of State School Organisations, so we get a very good mix and dynamic on the board and a sense of perspective in the way we engage with our community locally and with the professional peak bodies. Of course, we are also joined by one of the parents, Terri Da Costa. Terri has put about four kids through school and is a continual contributor. She turns up with her baby and makes a great contribution, and how she keeps that child asleep through an entire board meeting defies description. I really appreciate her. Of course, the other parent representative is Vickie Clues. We welcome her and look forward to her contribution, along with Natalie Elliot.

I am also very proud to introduce to the board two new members. Dr Katie Attwell is an academic at Murdoch University. She is an outstanding addition to the board, both because of her professional background in social matters and her academic endeavours and because she is a Coolbellup mother who was the principal motivator behind Cooby Now, a group of concerned parents who are absolutely committed to the local primary school, Coolbellup Community School, to make sure that it delivers the education that they want. Cooby Now, under Katie Attwell, was the single driving force in delivering two kindergarten classes this year from just under a full quota for a kindergarten class. The future of Coolbellup Community School, and the kids and families of Coolbellup, is in good hands and has a bright future.

I am also very proud to introduce to the board Frank Mofflan. Frank is a Hilton resident and a very concerned parent. He has a couple of children and, like all parents with young children in primary school, he is starting to consider the high school options they may or may not be able to take advantage of. He has consented to join the board, and he brings his legal brain and corporate knowledge from the senior mining houses around the state to the board, and we really do welcome him. Hamilton Senior High School is in an interesting position because it is in transition as it amalgamates with South Fremantle Senior High School under the working title—I do stress that point: “working title”—of Fremantle College, and there is a real problem. I appreciate the ear of the minister in the corridors as he has listened to me in relation to the school; I have been asked by the school to lobby him to ensure that the department gives this its full attention. The reason I say that is that expenditure of \$30 million on the new college is just barely going to be enough. I and the member for Fremantle appreciated the briefing from the department on how that \$30 million will be spent. It will include, according to the briefing, 16 new classrooms, which is great, and things that matter a lot, such as efficient administrative space that will be constructed or renovated there, and also making sure that every classroom is fitted with the information technology infrastructure to support it.

The problem we have, though, is, as the minister told me, the government is going to fund above the existing operating expense to ensure that a full suite of Australian tertiary admission rank courses is available at the South Fremantle campus next year. That is good news, but it means that parents of children in Hamilton Senior

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High School will see that and know that the school's partnership has now been folded to South Fremantle, and they will simply move their kids to South Fremantle. That might be all right, but who will be left behind as the school hollows out from over 650 students and successively loses students from now to January 2018 when the amalgamation is to take effect? It will be the kids left behind. It is very important, and I want to record in this place my deep concern that the hollowing out of Hamilton Senior High School should not diminish the quality of the education those kids get. They should not have to change their uniform and move to South Fremantle High School to get the level of education they would like. I call on the government to ensure that the similar, above-opex requirements are delivered at Hamilton Senior High School so that it can have the range of academic classes and full suite of other extracurricular and vocational education and training classes delivered.

Hamilton Senior High School has my complete and utter support as we go right through to 2017 and 2018. I am particularly keen to participate in ensuring that the leadership is unified, and that the schools amalgamate to the benefit of not only the student body, but also the wider Fremantle district schooling area and community. That is absolutely essential, because when Hamilton and South Fremantle are amalgamated there will actually be three catchments. The Hamilton Senior High School catchment, which extends all the way to the south, well into Cockburn, will be retained; there will be the existing South Fremantle catchment area; and the other catchment will be the unmet need that has resulted from the contraction of John Curtin College of the Arts. When I went to John Curtin, I lived two suburbs away; now students have to live one street away to get into John Curtin. It is a special select school. The unmet need that would ordinarily have gone to John Curtin will now have, we hope, an outstanding public secondary school to choose from at the South Fremantle campus. We are particularly concerned that the school should be built with an established and installed capacity to handle the population we expect. Right now, the government is planning on \$30 million and about 1 200 students; I reckon with the two existing schools and the unmet need, that will happen in year 1. I do hope so, because it will be our happy headache when we move to the other side of the chamber to ensure that we find the additional resources to ensure that that school goes from strength to strength.

I now turn my attention to groups in the community that do not rely directly on government funding but rely on government assets and on the continued support of various agencies. I make a heartfelt thank you to the Hilton Harvest group. The Hilton Harvest Community Garden sits on the Hilton Primary School site. It has just organised a new lease with the Department of Local Government and Communities, with the support of the City of Fremantle to ensure that it has the governance and oversight to carry out its functions. Unfortunately, that required the installation of an \$8 000 fence, which it could ill afford, but it raised the money largely through the energy of Amy Warne, the convener of the Hilton Harvest Community Garden. Amy is an outstanding contributor to her community. From what I can see, she has been working with the group since 2010. Supporting her is Sandra Albin, who is the Treasurer and has held various other roles on the committee that runs the garden. The Hilton Harvest Community Garden is an outstanding community garden. Apart from the six-foot high cyclone fence that fronts the school, the street frontage of the community garden has no fence at all. It has bars on a low one-metre high fence, which has no mesh whatsoever; it is completely open to the public. The level of vandalism we could expect to potentially attract to a place like that is almost zero. There is a chook pen and all sorts of fruits and vegies growing there. There are sheds full of tools and there has been next to no vandalism. The reason for that is it is so embraced by the local community. The local kids have from time to time undertaken all sorts of different low-grade criminal acts, but they seem to leave Hilton Primary School and this community garden alone. It is testimony to the energy and goodwill of the people of Hilton to be able to sustain it.

I also had the very great pleasure to assist handing out jumpers at the Kardinya Junior Football Club. Why would I raise that matter here? The Kardinya Kats football club is an outstanding example of what I see in the suburbs, and many members will see in their suburbs—that is, the impact that men can have on young men to ensure that they grow to be conscientious and great community contributors in their own right. I was introduced to the club by Lynne Collins who came to see me about helping the club fundraise and assist it through the sale of some of their books. I want to thank Lynne, a Willagee resident, who has a son playing with the Kardy Kats, as we call them. The person I want to single out and say a big thank you to is the man I met on that night, Brad Karafil. Brad is a police sergeant at Canning Vale and he has been a tireless worker leading these young men to use sport as a vehicle. Brad has been coaching these guys for a couple of seasons now and has been a significant agent of change to ensure that these young men build the self-confidence they know they need to be contributors. They raised \$21 000 so that they could travel to Melbourne to play at the Melbourne Cricket Ground at half-time. I hope it is a Fremantle Dockers game so that they can see a fantastic win. I want to send a big thank you to Brad and to Lynne Collins for inviting me along. I really did enjoy that night. It is one of those things that as a local member, I really enjoy doing, and stays with me for some time afterwards.

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In my remaining time I also want to acknowledge a new support group. I happened to hear on Geoff Hutchison's 720 morning radio program a young woman, the partner of an active police officer with post-traumatic stress disorder, speak about her harrowing stories of managing a family and keeping her marriage together. Those challenges are not insignificant. She was brave enough to go on the show and tell her story. I heard her. I rang the show—I am sure amongst many others—to offer whatever assistance I could. She was motivated enough to organise a support group. That support group called Alongside has been established and is for partners of people with PTSD—that is, police officers with PTSD. There is now a committee and they are well on their way to establishing that group as a significant part of the architecture of community-based mental health support.

I want to say a big thank you to Clarity Communications on Rokeby Road, Subiaco. We often have to go out with our begging bowl to do these things. I had to make only one phone call to Daniel Carroll, one of the directors there whom I know, and he said yes when I asked him to do the job to ensure that Alongside could get the branding development it needed. Anthony Hasluck is the other director and owner of Clarity Communications and I really wanted to thank him too. They are great contributors and if they did not get recognised by me, they would have just done the work without the thank you.

That is all I have time for. I enjoy contributing to these debates. I like getting on the record my thanks to the community for what it does, street by street and suburb by suburb, and I look forward to bringing more to stories to members.

MR W.J. JOHNSTON (Cannington) [10.55 pm]: I always enjoy getting the last slot of a Tuesday night. The Whip does not appear to be here but I am always so favoured by him for getting this spot. I want to make some comments about the worst budget ever in the history of our state. I will start by quoting from *Hansard*, and I am indebted to the member for Girrawheen who sent this to me. On 22 October 2002, the late Mr Bill McNee said —

I have been listening with interest to this debate. I was thinking a moment ago that this debate reminds me of Julius Caesar when he was Emperor of Rome. He was riding his horse through a field and a slave said, "He is riding in this cold weather without any gloves on his hands." Another slave replied, "Why would he need gloves on his hands? He's always got them in our pockets." That just about sums up this show.

I think it was very interesting that that late Liberal member of Parliament can be quoted when we look at the current government. The current government is running the largest budget deficits in the history of Western Australia. The member for Riverton has introduced two budgets, one of which has ended in a deficit and the other that is predicted to have a massive deficit of unrivalled proportions. The following budget, which will be his third, is also predicted to have a massive deficit. It is a shock to everybody that the member for Riverton, who had such a long history of commentary before he came into this place, has not been able to stick to any of the words he said outside the chamber since becoming a member.

I urge members to think about the question of schools. The government likes to boast about its high level of school funding but if members are like me and are on the boards of any of the independent public schools, they will know the cost pressures, the cuts, and the reduction in services happening across our school system in Western Australia. That is the reality that we all know about because we are all involved with these schools. We are on the boards of the independent public schools, we regularly attend the parents and citizens association meetings at schools, and we talk to the principals, the teachers, the parents and, in many cases, the students. I will use the example of the savage cuts at Sevenoaks Senior College. Sevenoaks Senior College was the brainchild of the current Premier when he was Minister for Education; it was a great credit to his time there—one of the few that I have heard of—yet it has been devastated by budget cuts over the last two years. I do not understand why the government continues to reduce the allocation of funding for schools. We know from talking to parents that things that used to be provided by the school are now being included on book lists and have to be paid for by parents. We know that the allocation of the budget from the school to individual classrooms has been cut so that schoolteachers now have less money to spend on the consumables and the little bits and pieces that they need to run their classroom. I am even hearing of teachers having to pay for individual items in their classroom. That is the actual reality on the ground in schools. I invite anyone to come and visit with me the schools in my electorate and I will demonstrate that.

I want to talk about a few things in my electorate and I start by noting that the City of Canning is close to making a decision about a developer for the block of land next to the old tax office at the end of Cecil Avenue. This is an exciting opportunity for our community and should be an opportunity for a great mixed-use development that will bring more residents and more services to our community, immediately across the road from the railway station. That is a great project.

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I note that there is a large block of land on the other side of Cecil Avenue that is owned by the Department of Housing and right next door to that is a block of land owned by the Department of Health. I wish the government would just get on with it and get these two blocks of land developed; we could have hundreds of home units on these sites. The blocks have been vacant for a long time; they are right in the middle of the Cannington CBD and immediately opposite a train station. Now there will be a private development within 500 metres—two large blocks of apartments that are going up just across the road. There is a senior high school nearby, a K–10 community college, and the council-funded Cannington Leisureplex literally next door. This is an ideal block for development and we should get on with it.

I want to talk about aircraft noise; there is no issue more important to people living in my electorate than aircraft noise. Perth has a 24-hour airport and it is the only airport in Australia that has a central city location but does not have a curfew. Sydney Airport, which is also centrally located, has a curfew; Gold Coast has a curfew; Adelaide has a curfew. The airports in Sydney and Adelaide allow over-water arrivals and departures, whereas our airport obviously does not because it is not built on the coast. Brisbane Airport does not have a curfew but allows over-water arrivals and departures and is next to an industrial park, so the question of noise is completely different from the situation with Perth Airport. We need to have some action to provide relief for local residents.

The Minister for Transport announced late last year that he was setting up a planning process to select a second site for an airport in metropolitan Perth because he said we need a 50-year vision for the airport. I asked him three technical questions—I will not worry about what they were—about certain procedures to do with that, and his answer was that I would have to ask the Minister for Planning. Apparently, even though the Minister for Transport had been talking to the media about the planning process for a new airport, he was not actually involved in the process, which begs the question: why did he make the announcement? I have subsequently asked the same questions of the Minister for Planning and I am eagerly looking forward to getting an answer back on those issues, which I think is due in another couple of weeks.

Many residents in my electorate would love to see the airport moved, and if the government is going to select a site for an alternative airport, that will clearly have to be contemplated. Of course, moving the airport is a multibillion-dollar cost, so I do not expect it will ever happen in my lifetime. In terms of future volumes for that airport, airport management says that it can increase capacity so that it can handle the same number of people handled by London's Heathrow Airport, which is one of the world's busiest airports. There are no foreseeable capacity constraints for Perth Airport.

Then we get to the question of the night-time curfew. My view about that is that a night-time curfew is inevitable if the airport does not do something about helping residents sleep. Because we have a 24-hour airport, it is crazy that we have so many arrivals and departures between 11.00 pm and 5.00 am, which would be the time of a curfew in any other city that has an inner-city airport as we do. The reason Perth Airport needs to have night-time arrivals is that we are an end-of-the-line destination; we are not a hub. Modern airlines use a hub and spoke. We are not the hub; we are the spoke. If we had a curfew, there would be fewer flights available in and out of Perth. I understand the needs of the business community, the resource sector and the tourism industry to have more flights in and out of Perth. Just as an example, a couple of years ago I used Jetstar to fly to Jakarta. That is called a back-of-the-clock service. That flight occurs only because the plane is not needed on its normal routes in Asia. Obviously, that flight is a Jetstar Asia flight out of Singapore. That plane would remain on the ground overnight if it was not flown to Perth. It would not arrive during the day. Jetstar would simply not fly to Perth.

The fact that we do not have a curfew benefits the people who rely on flights in and out of Perth but that is at the expense of the people who live in my electorate. As we all know, the number of times people fly rises with income. People are much more likely to use the airport if they have a high income. If people have a high income, they are much more likely to be living in the western suburbs where they do not get affected by aircraft noise. This is an important issue of justice for the people in my electorate. Action needs to be taken by Perth Airport to be a good neighbour. Perhaps the best way to do that is if the federal government regulated a requirement for Perth Airport to work with the local community to ameliorate the noise and fund that through a compulsory levy on passenger movements at the airport. That levy could be something like \$1 or \$2 a passenger. That would generate tens of millions of dollars a year to work with local communities to ameliorate that noise. If we do not do that, the inevitable result is that there will be a curfew at Perth Airport. I know that Perth Airport does not want a curfew. I have explained why it does not want a curfew and I understand why it does not want a curfew but it is inevitable if action is not taken on this issue.

I also want to mention Bentley Hospital, which is literally split between the electorate that I represent and the electorate of Victoria Park. The mental health unit is on the eastern side of Mills Street and the general hospital is on the western side of Mills Street, that being the boundary between the two electorates. The local community is very concerned about the loss of services from that hospital and the way the hospital is now being managed by

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Royal Perth Hospital rather than by its own management team. It appears that activities that should be occurring in the low-cost Bentley Hospital, where regular surgical procedures can be carried out, are being transferred to the higher cost activities of Royal Perth. The same number of services are being performed by the system but at a higher cost because the services are going from a local hospital to a more expensive tertiary hospital.

I know that the minister likes to talk about the Reid review. One of the aims of the Reid review was to provide higher quality health care closer to where people live. The use of regional suburban hospitals such as Bentley Hospital and Armadale–Kelmescott Memorial Hospital were always part of the Reid plan because that is the only way we can control costs. It is very important to my community. We have the question about the delivery of babies at the hospital and the Minister for Health’s reaction to the demands of the member for Swan Hills during an election campaign, when he promised to keep maternity services at Bentley Hospital, but now that we are not in the middle of a federal election campaign, it appears that the minister wants to rewrite his promise and move maternity services from that hospital. That would be a great disappointment to the community.

Tomorrow’s *The West Australian* has a report headed “MP doubts TAB sale will be a starter”. I must be a clairvoyant, being able to read tomorrow’s newspaper!

Ms M.M. Quirk: What is going to win in the fifth?

Mr W.J. JOHNSTON: That would be good knowledge. I must have a look back in the paper for that!

This article by Daniel Emerson on page 19 of tomorrow’s *The West Australian* says —

Belmont Liberal MP Glenys Godfrey says the Government is speaking to the wrong racing representatives if it thinks the industry is coming around to the idea of privatising the TAB.

Later on, it says —

Yesterday, Ms Godfrey declined to back the Premier’s view.

Yesterday of course is today! It goes on —

“(The Government) are talking to a group of people who I don’t think are representative of the whole community, so until it goes out for public consultation, how can you know what everyone thinks,” she says. “I think it’s the wrong decision for WA to sell it.”

“It” being the TAB. I look forward to the member for Belmont standing up for the interests of her community. I will watch that one with special interest. Of course it has an impact on my community because it is not just horseracing that is affected by the sale of the TAB; dog racing in my electorate will also be impacted.

I now want to talk about the City of Canning. At the moment the City of Canning is going through its internal boundary review process. Although I personally did not believe the commissioners should in fact do this, given they are unelected, I am not unhappy at the outcome. I think process is important. It is interesting that the City of Canning hired a company called Painted Dog Research to look at people’s views about options for wards and councillors in the City of Canning.

[Member’s time extended.]

Mr W.J. JOHNSTON: The report given to ratepayers on Monday prior to the council meeting to approve the submission to the Local Government Advisory Board, found overwhelming support for wards. It was quite an interesting position. It is a very interesting report. If members can, they should look at this report; it is well worth the read. The largest support was for five wards and two councillors. The second highest support was for four wards and two councillors per ward. The view of the community was against having no wards. I have commented previously on the City of Gosnells. The City of Gosnells eliminated wards—of course my electorate extends into the City of Gosnells—but never actually asked the community’s views. It is interesting that this report from Painted Dog Research goes on to explain, as an example, that no wards and eight councillors was overwhelmingly opposed. They also examined no wards and 10 councillors and no wards and nine councillors. For example, the no wards and eight councillors option was extremely unappealing to 43 per cent of respondents in the survey, and unappealing to 14 per cent. So, 57 per cent were directly opposed to having no wards. Sixty per cent of people opposed no wards and nine councillors. It was an overwhelming result. So the next time somebody involved in local government, the Western Australian Local Government Association or an individual councillor, talks about the benefits of having no wards in councils, I think it is probably incumbent on them to talk to ratepayers rather than just councillors. It is clear from this survey in the City of Canning that it was overwhelmingly in support of having wards and it was overwhelmingly opposed to not having wards. The report actually gives reasons. The report gives the “Top 10 Reasons Underpinning Most Preferred for 5 Wards and

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2 Councillors”—that being the option that was supported most strongly—and states that 31 per cent of the people who supported having five wards said that the number one reason was —

More local representation/Better targeted to local area

The second reason was—

Smaller area to deal with/Less people to look after

The third reason was —

More equitable/More balanced/Democratic

The fourth reason was —

More input from Councillors/Easier to contact Councillors

The fifth reason was —

Better representation for each ward

The sixth reason was—

Clear lines/Defined areas/Clear lines of responsibility

A member interjected.

Mr W.J. JOHNSTON: It is a general debate, member.

The seventh reason was —

More efficient/More manageable/More workable

The eighth reason was —

More personal/Easier to know who they are/Get familiar with

None of these recommendations were a surprise to me. It is sort of natural, in my view, that these are the sorts of things that people want. People want to be able to relate directly to their councillors. I would very strongly encourage other councils to look at this survey, because I think that those views will be reflected quite widely across the state.

I want to move onto another topic, but, before I do, I want to set a frame for it. I want to quote from the ABC television comedy *Utopia* from 1 October 2014. The Rob Sitch character, who is called Tony in the series, was talking to the character called Jim, played by Limo, a Melbourne radio comedian, about a project, and Rob Sitch is the character who runs the agency, and Jim is the character from the minister’s office—the unknown minister. Tony says to Jim, “Has any cost–benefit analysis been done?”—that is in respect of the particular project—and Jim’s answer is, “It’s too late for that now.” I think that basically sums up the government’s approach to spending the taxpayers’ money. The government makes the decision to spend the taxpayers’ money, like \$230 million on a bus station, and then has a think about what the outcome of that process might be.

I draw attention to tomorrow’s *The West Australian* and the commentary from Paul Murray. It is a very great article. I do not have the time to read through the whole thing, but I urge all members to have a look at it. One of his points is —

Economic management, previously the Liberals’ trump card, is now a measure by which it is routinely flayed after losing the State’s AAA rating in 2013 because of the debt blowout.

Last week’s Budget brought to an end 20 years of surpluses and confirmed to many people that the Government had squandered our biggest economic boom.

Mr Murray goes on to write later on —

The Premier can’t escape the bitter pill that he lost the AAA credit rating because his Government didn’t live up to the Budget discipline it had theoretically set for itself.

And while the so-called perfect storm of lower iron ore prices and historically low GST returns is true, neither was unexpected.

Treasury routinely warned about the volatility of commodity prices and the Grants Commission flagged our 30¢ in the dollar return three years ago.

The truth is that the Barnett Government has been neither prudent nor particularly enterprising in handling a once-in-a-generation boom.

Well said, Mr Murray—your commentary is very well founded.

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I want to finish on a discussion about the possibility of an inquiry into the iron ore resources sector. We have all seen commentary in the media, starting from last week, about the idea of an inquiry, and the Labor Party in Western Australia contributed to that debate. Our view is that, given the Prime Minister's announcement last Friday, there is a probability that he wants an inquiry into the iron ore sector. The opposition does not think it is worth doing one here in Western Australia, but I want to flag the terms of reference if this house were to conduct an inquiry. This is not a motion. I am just reading out what we would propose if we brought the matter to the house. The opposition would seek —

That this house directs the Public Accounts Committee to inquire into and report on the contribution of the iron ore industry to Western Australia through royalties and other government revenues, and jobs and investment, with particular regard to the following —

- (1) the approvals for mine and export expansions over the last 10 years, and advice provided to government on the impacts of these expansions by the Department of State Development or any other agency;
- (2) the extent to which the procedures of the Department of Mines and Petroleum ensure that the state government receives its proper royalties for the sale of iron ore;
- (3) the powers of ministers and state government agencies to facilitate and regulate the iron ore industry, and the efficacy of those activities; and
- (4) any policies that might be employed by the state of Western Australia to ensure the best return for the state from the development of WA iron ore resources.

The Labor Party has made the point on a number of occasions that it has been confused by the Premier's commentary on the iron ore industry, because it has always understood that the process of the iron ore industry is that government regulates but is not the operator of the mines. We have said that the free market should apply and that that free market is the best way for the industry to operate. The Premier has said that our position is wrong. He says that the government is a participant in the developments and that it has a right to change the basis on which the industry operates, even after approvals have been given. What the opposition would say if there was to be an inquiry is that it should not be into the companies involved in the industry but, rather, into the government because the government is the one that is saying that it should be involved. If an inquiry was to go forward, it would enable the claims of the Premier to be tested by an inquiry.

I point out that in the last Parliament, the inquiry into domestic gas prices, which was chaired by the member for Riverton and of which I was the deputy chair, produced a great report; it got away from politics and allowed a proper analysis of the issue involved. Even those people who did not agree with the recommendations of the report have said that the evidence obtained and the report itself was of a high quality and cut through a number of issues that were opaque prior to the inquiry. If there were to be an inquiry into the government arrangements around the iron ore industry, not an inquiry into companies, not an inquiry into the business practices of companies, but an inquiry into the processes of government and its dealing with the iron ore industry, that would be the way forward. I note that today's *The Australian Financial Review* details the Prime Minister saying he thought an inquiry was appropriate. I quote the article —

Mr Abbott said an inquiry made sense “but what we don't want is a witch-hunt against any particular business”.

I agree with him. The article goes on —

Perth-based Finance Minister Mathias Cormann publicly backed a “sensible inquiry” on Monday amid reports of a cabinet divide over the issue.

I am surprised that tomorrow's *The West Australian* of 20 May is running an article that states that Tony Abbott has backed away from inquiry into the iron ore industry. It goes on to quote the Prime Minister as saying —

... the last thing this Government would ever want to do is interfere with a free market like the iron ore market.”

The same article quotes the Premier, in referring to the behaviour of companies, as saying —

“If it's not anti-competitive, the only other thing that could be done would be to impose restrictions on exports”.

Again, in tomorrow's *The West Australian* the Premier is introducing the question of sovereign risk about the iron ore industry, and we are against that. There should not be sovereign risk introduced to Western Australia's iron ore sector. There have been billions of dollars' worth of investment and tens of thousands of jobs. We are

Extract from *Hansard*

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going through a tough patch and unless the Premier is prepared to explain to an inquiry why a better process should be put into place, it does not make any sense.

Debate adjourned, on motion by **Mr J.H.D. Day (Leader of the House)**.