

McGOWAN GOVERNMENT — FIRST YEAR PERFORMANCE

Motion

DR M.D. NAHAN (Riverton — Leader of the Opposition) [4.01 pm]: I move —

That this house expresses concern over the failures of the McGowan government in its first parliamentary year.

This has been an interesting year. I would like to talk about two major issues, and my colleagues will go through others. The first is the proposed increase to the gold royalty and the position that the Liberal Party has taken on that issue. The second issue concerns my role as shadow Minister for Public Sector Management, and it is the processes of reform of the public sector that I have seen to date. A state government is essentially a service provider. Therefore, the effectiveness and efficiency of the bureaucracy and the public sector are vitally important issues at the state government level compared to at other levels of government.

I will run through some of the history of the gold royalty. My first interaction with the gold royalty was back in the 1980s when I was encouraged to come from the university to participate in a review of all royalties, including gold. At that time, in about 1985, not only was no royalty applied to gold, but gold production was not subject to the payment of income tax. A gold royalty inquiry was undertaken in which I and others participated, in my case only part-time, and the report of the inquiry was submitted to the then Labor government. The Labor government at that time had committed to introducing a profit-based royalty on minerals. The two major minerals that were considered at that time were iron ore and gold, and perhaps also nickel; I cannot remember. That royalty inquiry took three years and made some recommendations. The major recommendation, particularly following the position of the government of the day, was that the government introduce a profit-based royalty. We looked at gold in detail. We recommended introducing a gold royalty of 2.5 per cent ad valorem—that is, based on added value—and, if the government of the day wished, to top that up with a profit-based royalty if the profit of the business went above a certain threshold. That was in the days of the Ross Garnaut inquiry into the introduction of a petroleum royalty.

The inquiry did a lot of modelling, and we identified that a royalty on gold of above 2.5 per cent would mean that ore would be left in the ground, or mines would be curtailed in size. The gold industry is different from the iron ore industry, because exploration is very risky. Goldmines have great difficulty raising money for exploration and development. Therefore, exploration in the gold industry is ordinarily funded from retained profits. If profits are taken away from gold businesses, they automatically need to cut their exploration budget. Goldmines are different from iron ore mines. Iron ore mines last for decades; goldmines last, on average, four to seven years. If they do not invest continuously both on-site and off-site, they will not last.

Several members interjected.

Dr M.D. NAHAN: There are some exceptions. The Boddington goldmine has been around for 30 years. When our government was considering the introduction of a gold royalty, one reason we did not do that was that the Boddington goldmine was looking at a \$4 billion investment in the expansion of the pit. The Telfer goldmine, which has been around for 30-plus years, also needs to make a number of incremental investments. If we take the profit out of goldmines, they will shrink. That situation may be different in iron ore mines, and sometimes in copper mines, and also in the larger goldmines, particularly when they are mining a mix of metals.

The Liberal government introduced a gold royalty in the 1990s. I believe that was a bipartisan decision, but I cannot confirm that because I was not around at the time. The royalty rate at that time was 1.25 per cent. In the late 1990s and early 2000s, the royalty rate was increased to 2.5 per cent. That rate was chosen on the basis of the last thorough review of mineral royalties some 30 years ago. Since that time, the gold industry has been one of Western Australia's great success stories for employment, job creation, investment and exports. However, it is a fragile industry. Most of the mine pits are, on average, four to seven years old. Without a constant flow of a large amount of risky investment, they will die. The Gallop and Carpenter Labor governments did not change the royalty rate on gold or review the rate. In 2010 or 2011, the first Barnett Liberal government decided to conduct a review of all royalties, other than iron ore. Iron ore was excluded because discussions were already taking place about increasing the royalty rate on fines. Treasury and others had extensive consultation with industry over, I think, a period of three years. They went to industry and got data on mines from the then Department of Mines and Petroleum, which had a great deal of information and expertise on mines and analysed the potential impact. When the report was finally delivered, I was the Treasurer. A lot of pressure was put on me to accept the gold royalty increase. The recommendation from Treasury at that time was an increase from 2.5 per cent to 3.75 per cent, which is exactly the same as the Treasurer proposed in the budget this year.

Extract from Hansard

[ASSEMBLY — Wednesday, 29 November 2017]

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Dr Mike Nahan; Mr Tony Krsticevic; Acting Speaker; Mr Dean Nalder; Mr Sean L'Estrange; Mr Simon Millman; Mr Matthew Hughes; Mr Bill Johnston; Ms Simone McGurk; Mr Ian Blayney

The reason why in that budget I wrote down \$16.5 billion in revenue was that the deficit was growing. We were under fiscal stress like never before. Members of the opposition at that time relished that, but from a Treasury perspective, I had every incentive in the world to introduce a gold royalty. We looked at that thoroughly. However, from my background, and from the arguments of the then Minister for Mines—I think there were two different ministers at that time—we decided not to do that, because it was clear to us that a number of mines, both large and small, were very marginal. If we were to introduce a 50 per cent increase in the royalty rate on gold, it would have significantly impacted investment, jobs and exploration for those mines. If we wanted to get more money out of them, we could have had profit-based royalties. That would have taken a lot of work, but we could have done that if we wanted to. We considered that option in 2014 and 2015 and chose not to do it. We had a huge incentive to do it because our revenue was in freefall, but that was our policy position. At that time, the opposition, led by the member for Rockingham, looked at the issue. I cannot say whether Labor played politics with it or looked at it, but his position was exactly the same as ours in 2014 and 2015. He joined in with the crowd of miners outside Parliament House, wearing a gold hard hat with his name on it, and said, “I’m for the gold industry.” He said that Labor would not increase the royalty on gold because it would destroy jobs and investment. He said it over and again. We had debates about it in this house because he thought we were going to do it because we were more desperate than this government for revenue. I accept that the government now has an issue with revenue. I wish the government members would have accepted it in opposition. They did not, but it is a different position and different people. The then Leader of the Opposition made a claim to the gold industry and the public in 2014, 2015 and 2016 that he would not increase the royalty on gold. He took that promise to the election; it was a promise that he cannot run away from.

As soon as the McGowan government came into existence, its members started trying to rewrite the fiscal position and say that the books are much worse than they thought and they would have to put in place revenue measures. The Treasurer started spouting about all sorts of measures. I have been told—I was not privy to those meetings—that during that period the Treasurer or the Premier, it is not clear which one, had meetings with members of the gold industry and told them that a gold royalty increase was not under consideration in the budget. I can see why the government did that because if it had given any hint of the royalty rate going up, there would have been crowds at Parliament House and elsewhere. Government members avoided the campaign, but that is what they told the industry. Then, in the budget, they proposed the royalty increase that was recommended to us with a small exception: an alteration to the minimum cut-off of 2 500 ounces, but the rest of the proposal was identical to ours. That is the proposal that members opposite swore they would not put in in 2015, 2016 and 2017 up until the budget time. The arguments put forward by the government of the day—the Treasurer and Premier and, I think, the Minister for Mines and Petroleum—was that it would not impact mines and there would be no impact on jobs, investment or exploration. The government did not have in-depth consultation with industry or indeed with the mines department.

My experience in 1985 and in 2014 and 2015 was that that was not true. It would have an impact, and it was obvious. We saw in the media that the company that owns the Telfer mine, one of our largest mines that is a very old and deep mine, was either going to invest an extra \$90 million into the mine or shut it in 18 months. It was all there in the literature. The company had to make reports to the ASX; therefore, that data is accurate. It is also available from a whole bunch of consulting agencies and stockbroking firms. Telfer’s situation was blatantly obvious to anybody who bothered to look. The gold royalty would have—this cannot be said absolutely—probably killed off the \$93 million that was required to keep the mine going for another four years, and in 18 months lead to the cessation of mining and closure of the mine and the loss of 1 550 jobs. However, the government of the day said that the increase would have no impact—simply not true. The government did not talk to industry; that is true.

In the upper house, with the crossbenchers, we voted against the regulation to increase the royalty on gold. I stand by that decision. It was the right decision because the McGowan government not only, as the opposition at the time, went into the campaign over and again saying that it would not increase the royalty rate on gold, but also said, quite rightly, that the overriding priority of the government would be job creation. It said that over and again—irrefutable. It was the right issue to focus on and one of the main reasons Labor had a landslide victory. Labor said it was committed and had a plan to create jobs. This government has gone against an election promise not to increase the gold royalty rate and it is denying that that action will destroy jobs, which is what it will do. We, with the crossbenchers, quite rightly blocked it. The lesson is: be true to your word and do not make claims that are blatantly untrue, particularly when it comes to an impact on jobs.

The Treasurer then flagged that he would probably come back in the future and have another go at the gold royalty. He did, and I think he made three changes. The threshold of an \$A1 200 floor, below which the royalty increase would not apply, was changed to \$A1 400. It did not impact the estimated revenue flow. He also did the right thing and put in a 2 500-ounce floor, below which a company does not have to pay any royalties. That was the right thing to do. If a company went above 2 500 ounces, it would have to pay royalties on all the gold received that

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would potentially bring in large numbers of small prospectors and goldminers, and it simply is not worth the regulatory effort to collect money and assess those people. I do not think that would have cost the government very much money. The Treasurer also then proposed to try to address the marginal mines, of which he said, by the way, there were none, by putting in a clause that states that a mine does not have to pay the increase in gold royalty if its all-in sustainable costs are within 85 per cent or higher of the price. That was a useful type of measure, I suppose. That data can be measured and independently assessed. There is a big fight between industry and regulators about what is all-in sustainable costs, and it might have had an impact. The Treasurer estimated that change would lead to a \$60 million reduction in collections over four years.

When the Treasurer first introduced the gold royalty proposal, he said that it would not impact any firms. He then introduced something that was supposed to help marginal firms and he was writing down \$60 million in revenue. Clearly, those two do not go together. He cannot write down revenue with a tax change if he claims there is no marginality—there is no loss. He also failed to recognise, and this is important, the impact of royalties, particularly above 2.5 per cent on the size and the operations of the mines and exploration. There is a range of forecasts out there and members can choose to read what they want to, but the Chamber of Minerals and Energy with some consultants looked at the future of the gold industry in Western Australia. Although we are very productive and very high cost with a lot of new innovations and investors, mostly locally made, by the way, the gold industry is the archetypal, successful Western Australian-based mining business. The gold industry employs more drillers than any other type of mine site. It has a spin-on effect, and in particular its regional involvement is phenomenal. It is a really good heart and soul of the mining sector in Western Australia, which is the basis of our economy. But the forecasts, particularly for a large number of known reserves, which are in very old mines, such as Boddington, the Super Pit and Telfer, are that they will come to an end in the not too distant future. The forecast is that gold production will decline very sharply over the next four to five years by almost 50 per cent unless there are incentives for miners to discover new fields and sources or to expand existing ones. Unless we have exploration, the gold industry will shrink substantially and many of the 25 000 people directly employed in the gold industry will be out of work. That is the data. That is the serious issue.

In the Treasurer's last go at the gold royalty increase, he said that he had talked to the Chamber of Minerals and Energy, but he did not do so very vigorously. He went to the CME and said, "Here's what I'm going to do." The reality is that the Treasurer did not speak with any of the goldminers in the second round. He did not speak to them, because of course they would be against it. If the Treasurer wanted to come up with an altered plan to address marginality and maybe exploration, he should have talked to the firms involved, but he did not do that. He went out of his way not to talk to the people who would be impacted by the mines. Back in the 1980s, it took a three-year review. During our time in government, we took a three-year review and discussed it with everyone. We understand that this time it was just a desperate grab for money without considering the consequences on employment and the future of the industry and jobs. Last night, the Liberal Party with the National Party and the crossbench, once again, disallowed the increase in the gold royalty. It was the right thing to do.

Another issue, of course, is the perverse impact of the GST. In three or four years' time, 60 per cent of the money raised by the gold industry in Western Australia would be sent to other states. Yes, there would be a hit of an estimated \$316 million over the next four years, but it would then drop precipitously after that. In other words, after the first three years, we would give most of this revenue to Tasmania and South Australia. Those states would get the money and it would create jobs over there. The government would take the royalties from this state and destroy jobs here. That is not job creation. The Liberal Party did the right thing and stood up for it. I am proud of that.

As Leader of the Opposition, I gave a response to the Governor's speech in which I recognised—how could I do otherwise—the difficulties the Treasurer faces in balancing the books and that we need to have balanced books. Our state has a structural deficit for a variety of reasons and we also have hellishly risky revenue flows due to our heavy reliance on iron ore prices. That is not a long-term sustainable solution; it just is not. I indicated that I would provide support to efficiency measures if they are effective. I want to talk about one measure that I am very concerned about that needs to be done, but I do not think is being done well. I reserve some comment, though. I did say that the government was very clear before the election, when it knew the challenges it had. The Treasurer sat in this place as shadow Treasurer for four years and the Premier sat in this place as Leader of the Opposition. They knew thoroughly the challenges and the trends we would face, and committed to no new taxes or tax increases and no new increase to gold royalties. They have broken those promises. I indicated that I would support the government on efficiency measures, but I would not support it on revenue raising. I know the government has to break promises. The issue is which ones it breaks. We will support the government on breaking some promises but not others. The problem is that the Labor Party went to the election promising not only no royalty increases and impossible debt and deficit reduction, but also \$5 billion of expenditure, which it does not need and has no way of funding. That is the problem. The government is meeting its expenditures plus, but it is failing to meet its commitment to not raise taxes and charges. We do not support that.

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The government sought a general mandate for and is pursuing reform of the public sector. The government went through a policy of reducing the number of departments significantly—by 50 per cent, I think from 40-some to 20-some—and building large departments. I have been critical of that because I have seen it before in this state. Geoff Gallop did the same thing, but it did not lead to efficiencies and clarity of decision-making in departments—in fact, the opposite. More importantly, it did not save any people. Looking at the data, the number of public servants shrank immediately after the reform, but rose sharply thereafter. It depends on how it is done. But it can be done; let us see how the government does it. Also, the first thing Geoff Gallop did as Premier was to put together a high-level committee to look at restructuring the public sector—something like this services review. But changes to the number of departments, senior staffing and the senior executive service were done before the review. The review might be in the government's hand—I do not know—but, if so, it has come recently. In other words, the government made all the structural changes before it had the plan. In fact, the government announced the plan after it had done most of the restructuring. It was done on an ad hoc basis, and we can see that. Also, the government went in with a target to reduce the size of the SES by 20 per cent. It has done that to a large extent and it will cost the government huge amounts of money, but is that effective?

I give the example of the Department for Child Protection and Family Support. There have been four exits from the senior executive service of the Department for Child Protection and Family Support—it has changed its name a bit—all senior women. I know two of them; they are absolutely excellent. That cost about \$2.4 million or \$2.5 million in payouts on top of their entitlements. The government replaced those four positions with three new positions and new people. The average level of the new appointments exceeds the old positions. In short, the government spent \$2.5 million to get rid of the old positions and it has replaced at least three of those four positions with higher-paying, higher-level jobs. Will that improve anything? It will take the government a long time to earn back the \$2.5 million. This is in a department under real demand stress that wears people out—it is a hard job—and where we need the best people. But the government has lost some of those people. That can be seen in departments all around the place. The morale of the public sector at the senior level is rock bottom. People do not know whether they will have a job, what the guidance is or what the structure is, and they all expect, quite rightly, that after the services review is released, there will be another reshuffle maybe next year. The public sector is the state's service delivery agencies in education, health, child protection and mental health. The effectiveness of the bureaucracy determines the effectiveness of frontline services and that determines the effectiveness of the government. The way the government has gone about this is just chaotic.

We have also seen changes at the highest level to the Road Safety Commission and to Lotterywest that were done with no explanation and in secrecy. This permeates the public sector, and we can only assume that these people in higher level positions were fired and paid out because they did not do what their masters wanted them to. Many were guardians of trust fund money that they were in the process of allocating. In short, we will find in the next year or so that the government has raided the road trauma trust account and Lotterywest to fund political commitments and other politically preferred activities. That is no way to run a government.

The government also made a commitment in the last budget for 3 000 voluntary redundancies. As I said before, the government is clearly assuming that the inefficiencies of the higher costs in government relative to other states lie in backroom bureaucracy. Maybe it does to some extent, but I can assure members opposite that they will find out that that is not necessarily the case. I think we had four or five rounds of redundancies in which the bureaucracy was reduced by 5 500 people over four years. That is a large reduction. Indeed, the total public sector did not grow at all between 30 June 2012 and 30 June 2017. We took backroom people, replaced them with the appropriate people, and put them on the front line. There is a lot more underway in the government's reform. We are seeing signs that removing 3 000 public servants through voluntary redundancies will clearly and emphatically impact the delivery of frontline services unless it is done very, very well. It has to be done very well or else the government will see significant impacts on frontline services. So far, we do not really have enough data or evidence about what the government is doing. We received information that the government was going to remove 800 people from the Department of Education at "Silver City" and there are only 954 people there. I can tell members opposite that if they remove 84 per cent of the people from "Silver City", they will have a dysfunctional education department. Things like testing, human resources, oversight and coordination, and operation and redeployment will not be done, or will be done at the schools, so the government will be pushing huge amounts of work on schools. We are just the opposition; members opposite are governing. We will hold them to account but I can see a process that has not been well thought out or planned. The government has failed to recognise that at least the administrative side of the public sector was pretty lean and that reforms have to take place—efficiencies, if you wish—in the delivery of frontline, essential services. That is bloody difficult.

We are also seeing issues with Perth Children's Hospital, King Eddy's and Armadale-Kelmscott Memorial Hospital, and will soon in Fiona Stanley Hospital where the pressures of change are such that the staff are in revolt. I suspect that the government is pushing reforms through there. If the government does not do this well, it will see substantial

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reductions in the quality of and increased costs in delivering these essential services. I do not think the government has had a good year but I think next year will be even tougher. We look forward to holding the government to account.

MR A. KRSTICEVIC (Carine) [4.34 pm]: I, too, want to contribute to this debate and reflect on what has happened in this state and this Parliament since the March election. Generally, when the Labor Party was elected in this state with such a convincing victory, it made lots of promises and commitments to the community. It raised expectations and, unfortunately, the bar was raised extremely high during the election campaign. The now Treasurer is on record indicating that he thought the bar had been raised extremely high and that he would not make some of the commitments that the now Premier and other members of the Labor Party made during the election campaign. He is not silly. He knew the state of the books, the finances and economic conditions that had been prevalent for many years in the state prior to the election. In his first budget, the Treasurer indicated the difficult conditions that the previous state government inherited and the headwinds that we had to move through to try to manage the state's finances. A reference was made to our first term in government and getting projects underway while trying to manage the state during the global financial crisis. As I have indicated previously and as is very clear to everybody in this house, we pulled a lot of levers to make sure that the state and this country managed to get through that process. I think we did very well because we did not feel the effects of the GFC to any great degree in Western Australia at that point. The rest of Australia benefited from the direction that we gave to the rest of the country.

Obviously, as we have indicated before, then we had the mining construction boom, which came on very quickly after that. It created problems in being able to access labour. The cost of labour became very expensive. Nobody wanted to work in the city; everybody wanted to go up north and get high-paying jobs. Of course, we found ourselves in the position, not that long ago, in which we were looking to recruit people from not just the rest of Australia—because there were not enough people in Australia for all the jobs that were going in Western Australia—but also overseas. It is amazing how quickly circumstances change. We have been through a massive rollercoaster ride from one extreme to the other. I think that reflects the nature of our economy in Western Australia. We need to be very conscious of how quickly we move through our cycles, how unstable our revenue sources are and how we invest money in this state and the commitments that we make. We need to be a lot more cautious heading forward.

It does not help when the federal government is being difficult about giving us the money that needs to be invested in Western Australia through not just the GST, but also other distributions that could make up the differences. The federal government does not appreciate the fact that to make a dollar, you have to invest a dollar. We know that very well from small business. People need to invest in small business and work not just in the business but on the business to make sure that it grows and delivers more into the future. It has been proven for a long time now that Western Australia has not just the capacity and ingenuity, but also the drive, commitment and smarts to be able to carry the entire nation of Australia, if it is given that opportunity. I think it would be a wise investment for any federal government to put more money into Western Australia so that we can grow the economy of Australia, which all Australians can benefit from. I do not think anybody in this house would disagree with that. I am sure that if other people around Australia were to look at it from a macro level rather than a micro level and a self-interested perspective, they too would say that if this was their business, they would be running it very differently from the way things are happening. It is very disappointing that we are not able to sell that message.

As we all know, we work within political cycles and we are all, I suppose, chasing votes for the next election and making the commitments that we need to make to get votes. Sometimes those commitments are good and, at other times, they are not necessarily the best investment of dollars to make a return for the community at a broader level. We need to make sure that we always try to get that right. We all have that intention and mindset but we do not necessarily deliver it for many different reasons. Sometimes when those days pass, we reflect on some of the things that have happened and some of the decisions we have made. We always think, "That could've been done a little bit better and that could've been done differently." We learn with hindsight, but we also need to make sure that we stand up for our communities and the best interests of the state, not always the best interests of political expediency. I know that is difficult to do in this place. It happens from time to time, but it is a difficult thing to get through. When the Labor Party won the election, I went through the effort of putting all these tags on the Labor Party promises, but of course we know that most will not be delivered upon. Some of them obviously will be if they fit in with the agenda of the party; others, as we have seen over recent times, have been reneged on. In September this year, the Premier said sorry for all the broken promises; he was sorry that they would not be delivered on and sorry that the government has raised taxes and charges.

Several members interjected.

Mr A. KRSTICEVIC: The Premier said sorry —

Several members interjected.

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Mr A. KRSTICEVIC: No, no, it is well documented. I am reading from an article in *The West Australian*, but the Premier has also said it in this house. I am sure I heard him say, “Sorry for the broken promises.” I am not going to list every single promise that will be broken or not delivered on; I have them in this book. I am sure that at some point in time we will go through them individually and tick off every single promise.

Several members interjected.

Mr A. KRSTICEVIC: They were to do with taxes and charges, yes, I know, and obviously —

The ACTING SPEAKER (Mr T.J. Healy): Member, he is not taking your interjections. You will have a chance to contribute.

Mr A. KRSTICEVIC: We obviously know there will be broken promises; we all expected it. It is not like anybody in this house really thought all the things spoken about during the election would actually be delivered. We would have had to be living in wonderland to expect that to happen. In the heat of battle during a campaign lots of things are said; unfortunately, I suppose, he who has the most money and is able to advertise with the most vigour gets his message across more clearly. Ultimately, I think the community always has a degree of scepticism when it hears these things because it is well versed in political speak when making promises and then not coming through on them. As time goes by, I will look through those promises—I am sure the opposition will do it individually—to see which ones have and have not been delivered.

In saying that, obviously it is not a good idea to deliver all those promises because some are not a good investment. I have no doubt that will drive the decision-making process along the way. The government may say, “Well, that seemed good at the time but it is probably not the right decision to make now.” Again, if that is articulated to the public, the government may say, “At that point in time we really thought that was going to happen and we were keen to make that promise but there have been changed circumstances since our election.” It cannot talk about changed circumstances before its election, because it knew what they were, but if the government gives an open, honest and transparent account of those changes, I am sure the public will take that on board and factor that in.

It is interesting that obviously one of the things spoken about during and since the election was this thing called gold-standard transparency. There was a big critique of the previous government about not being transparent, making people go through freedom of information applications, not releasing contracts and holding back information, but we are seeing patterns of that emerging with this government. I wonder why these things happen, because governments change and new governments come in and start accessing information and finding out what has been going on. So over time those things come out and become available to the community. The community sometimes gets concerned when it sees the same pattern coming from a different mouth; it raises a lot of issues about where we are heading as a state and what we are really trying to achieve. I do not believe that any decision that a government or minister makes should be hidden behind a cloak of secrecy or made to seem better than it really is. The people of Western Australia are intelligent enough —

Ms S.F. McGurk: Where’s the business case for the freight link?

Mr A. KRSTICEVIC: Like I said, I am telling you what my view is —

Mr W.J. Johnston: Where’s the business case?

Mr A. KRSTICEVIC: As a humble backbencher and a former government Whip —

Several members interjected.

Mr A. KRSTICEVIC: — I do not have that —

Mr W.J. Johnston: Yes, you do!

Mr A. KRSTICEVIC: I do not have that information! I do not have it!

Mr W.J. Johnston: Yes, you do! The Leader of the Opposition has it!

Mr A. KRSTICEVIC: He may have it. I do not have it —

Mr W.J. Johnston: Show up to shadow cabinet and get it released!

Mr A. KRSTICEVIC: I tell members, if I am ever lucky or fortunate enough to ever be on the government benches again and if I am a minister, members can take my word that I will never, ever, ever hide anything and I will be happy to lay everything on the table.

Several members interjected.

Mr A. KRSTICEVIC: I will be happy to lay things on the table if I am ever a minister and if I am ever Leader of the House.

Several members interjected.

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Mr A. KRSTICEVIC: Mr Acting Speaker, please, I am just trying to get a few things on the record. I am making a commitment and obviously stressing my disappointment about some of the things that have occurred.

We have talked about paying off the debt like a mortgage; obviously, that is the best we can do because it will take a long time and be a long process, especially when we have a huge spending commitment of around \$5 billion. We recently had the first budget of the new Treasurer, who supposedly is the longest serving Treasurer for a while. I look forward to his long and prosperous reign over the next three years. Hopefully, he will be able to turn that ship around, but I do not see debt going down. I hope it does, but I really do not think I have seen anything so far that gives me great confidence. When I look at the various journalists, such as economics journalist Shane Wright and the famous Joe Spagnolo with his “What’s the plan, Stan?”, it is very difficult to see what the future will be.

We know that if we want to improve our financial position and put the state in a better light, we need to invest money. We need to grow the economy. That is the best way to improve the state of the books. Are we growing the economy? Are we investing? Well, we are cutting 3 000 jobs through redundancy. I do not know that that will necessarily contribute to any economic growth. I think it will cut back on frontline services. During our term of government, we cut back the public service as much as possible. I really think that will have a negative impact. As to reducing the number of agencies from 41 to 25, again, I do not have a problem with that but I think a process needs to be gone through.

Mr J.N. Carey: We did.

Mr A. KRSTICEVIC: A process that takes more than five minutes needs to be gone through to understand what an agency does and how it interacts, and the impacts of cutting that agency and joining it with another agency. I have seen plenty of amalgamations —

Mr J.N. Carey: So you support big government?

Mr A. KRSTICEVIC: No, I am just saying that a process needs to be gone through to get there.

Mr J.N. Carey: We have. We did a review —

Mr A. KRSTICEVIC: Well, I do not know how well that review was done. It was a very short review. I previously worked in government, and small changes take a long time to implement. This is obviously a very significant change that I hope works. When I see the government go from 41 agencies down to 25, get rid of a lot of the leaders in those organisations and tell them their services are no longer needed and that the government is happy to pay out their contracts, would it not have been smarter to say, “Actually, we’ll employ you and keep your intellectual capacity and corporate knowledge, and since we have to pay you out if we let you go, we might as well just keep you on the books and have you working in those organisations so that we can try to make sure that it works in the future”? That would have been —

Mr J.N. Carey: And incur more leave —

Mr A. KRSTICEVIC: — a commonsense approach.

Mr J.N. Carey: — which costs the state more.

Mr A. KRSTICEVIC: We are talking about the people who have been leading these organisations, in some cases, for decades and have so much corporate knowledge in the government. I am sure that anybody running a business would not want to lose that intellectual capacity, that corporate knowledge, on the basis of paying them a reasonably healthy sum of money, as we have seen with some of the things that have been brought to the attention of the house, and at the same time not getting anywhere. I think that is a bit of an issue. Hopefully, the frontline services will not be impacted.

Obviously, we know that households are struggling. It is very difficult out there. It is very difficult for everybody. It is very difficult for people who have assets and even more difficult for people who have no assets. We hear that every day in our communities. I have people, as we all do no doubt, coming to my electorate office looking for help, guidance and direction, and we hear some very sad stories. It breaks my heart to hear some of the things that people are going through. I can relate to some of those things through my personal experience and family members and others. I know how difficult those things are. Not everybody is able to be helped by their families to get through the circumstances. Some people are lucky enough to be able to be supported, but others not so much. That level of complexity is worth noting.

I also note that one of the important bills brought to this Parliament was the Western Australian Jobs Bill. We looked on that with great interest when it was brought into Parliament. We were told it was all about creating jobs, even though the government is offering 3 000 redundancies. It is all about jobs, even though the government is getting rid of the leaders of its public service. It is all about jobs, even though the government is increasing taxes and charges on the community. It is all about jobs, even though the government is increasing the payroll tax. It is

Dr Mike Nahan; Mr Tony Krsticevic; Acting Speaker; Mr Dean Nalder; Mr Sean L'Estrange; Mr Simon Millman; Mr Matthew Hughes; Mr Bill Johnston; Ms Simone McGurk; Mr Ian Blayney

all about jobs, even though the government is trying to hit the gold sector. It is quite an interesting contradiction for the government to talk about jobs when we look at some of the things going on. As we all knew when the WA jobs bill came in, places such as the eastern states and New Zealand are all part of WA—they are local! Of course, there are a lot of intergovernmental agreements under the commonwealth banner that make us subject to all these laws. Obviously, that bill will not have the impact that people were hoping for. The government talked about participation plans, but we still do not know what a participation plan looks like, what it means or what it will do to help the situation.

[Member's time extended.]

Mr A. KRSTICEVIC: The WA jobs bill did not really give me great confidence. It points in the direction of the government saying it is going to do more of the same; in other words, it is going to try to do the best it can to make sure jobs are given to Western Australians when it is financially prudent to do so. Again, the exemptions to the obligation to offer jobs to Western Australians make sense from the point of view of Australia and, obviously, Western Australia. The levers to try to change things are very small. I thought I should look at this big 138-page "Plan for Jobs" carried around by the Labor Party during the election campaign. I had a look at the WA jobs plan, because it was heralded as the saviour of the economy. I looked at it in detail and I saw that there was a cover page, 10 pages left intentionally blank, a contents page, an introduction page, a 16-page executive summary, 11 full-page chapter covers without content, a back cover and all these fluffy statements. All of a sudden, this 138-page job plan came down to very few pages.

Several members interjected.

The ACTING SPEAKER: Members!

Mr A. KRSTICEVIC: It looks like a big plan, but like I said, anyone who likes pictures and blank pages will get a lot out of this document! I am not sure how much that jobs plan itself is going to deliver jobs along with the WA jobs bill. Like I said before and I say again, I genuinely hope that the government succeeds for the sake of all Western Australians. I do not like to see any government fail and I think ultimately we are all here for the same reason. We are here to try to deliver better outcomes for the people of Western Australia. It is really just a matter of which road we take to try to achieve that objective. I do not think anybody is here for any other reason, so as much as we heckle each other about these things, I think fundamentally we need to acknowledge that we are all here for the same reason. I hope we are all here for the same reason—that is, to help our constituents, make their lives better, try to get good outcomes and to make those decisions as fairly as possible. I think I have said before in this place that as much as we say that there is no money, I think there are winners and losers. Those deemed to be the winners by the new government will have plenty of money and there will not be much for those deemed to be the losers, under whatever criteria that might happen to be. We have seen that already occurring. I am not going to go through all these wonderful photos of all the Labor Party members and ministers handing out their Local Projects, Local Jobs cheques signed, in some cases, by them.

Ms A. Sanderson: They are not Labor Party members.

Mr A. KRSTICEVIC: They are. Right here in this photo is Hon Peter Tinley.

Ms A. Sanderson: Do you mean a local member?

Mr A. KRSTICEVIC: They are local members; that is correct.

Mr S.K. L'Estrange: It says Labor on the cheque.

Mr A. KRSTICEVIC: It does say Labor on the cheque. I have not seen one Liberal Party member handing out one of these cheques yet for the government's Local Projects, Local Jobs program. It is amazing.

Several members interjected.

The ACTING SPEAKER: Members!

Mr A. KRSTICEVIC: I made lots of commitments. I was going to put extra lighting at Carine Regional Open Space. There were a number of commitments. I am happy to take a cheque for those commitments, even if it is only for \$25 000. Every little bit counts. There are obviously cheques for people. I do not remember ever getting this sort of cheque when I was in government for eight and a half years. I do not remember having a cheque with my name written on it and saying, "Here is your local member giving you a \$25 000 or \$50 000 cheque just to help you do whatever you happen to be doing." It is interesting. It just reinforces the fact that there is money. There is no doubt that there is money to be spent. As I have said before, I am sure there was no process to check the validity of those investments into election commitments.

The other thing I want to talk about is the merging of the State Records Office with the State Library of Western Australia. We know from history that that is not a good thing to happen. We know from the WA Inc days

Dr Mike Nahan; Mr Tony Krsticevic; Acting Speaker; Mr Dean Nalder; Mr Sean L'Estrange; Mr Simon Millman; Mr Matthew Hughes; Mr Bill Johnston; Ms Simone McGurk; Mr Ian Blayney

that that is how the problems started. A royal commission inquiry back then indicated that the archive should be separate from the State Library. That will take us back to the WA Inc days.

Mr D.A. Templeman: They will be accountable to the Parliament. Nothing will change in that.

Mr A. KRSTICEVIC: I hope that the State Records Office comes out with that sort of statement, because I have not heard it say that it feels supported and that it is comfortable enough to say that things have not gone backwards and that we are still in the same place that we were prior to the merger. If that is the case, I hope that the State Records Office will make that statement. Unfortunately, the only statement I have heard from it criticised the move, not from the point of view of not wanting to change or do something different, but in terms of seeing a switch back to the dark old days when things could be done.

Mr D.A. Templeman interjected.

Mr A. KRSTICEVIC: I am just saying that is what the State Records Office is saying.

Mr D.A. Templeman: As you know very well, it is an administrative change. They are accountable to the Parliament.

Mr A. KRSTICEVIC: I hope that is the case. I hope it gets the resources it needs to continue its function. I know that successive governments have not necessarily given it the resources it needs; I am not necessarily saying that the former government was a world leader in giving the State Records Office the money it needed to do its job.

I do realise the importance of record keeping, and there have been many occasions on which that has come into play. Recently, in October, the head of the Australian Medical Association in Western Australia indicated that there were issues with the morale of doctors in hospitals, so that is also something we need to keep a careful eye on.

I turn now to the student-centred funding model. Schools with more than 1 200 students have had their funding slashed significantly. Schools that are successful, have delivered good outcomes and that parents are flocking to send their children to have had their funding cut by around \$1 000 per student. I think that is a bad move. The government needs to make sure it has done its analysis to see whether that money has been wasted as opposed to being a bad investment. I think all schools agree with that. They need more money, but they do not need to have funding cut from various schools.

We have talked about pensioners being hit hard. We know how much self-funded retirees are struggling out there and having their rebates capped. They are trying to survive in very difficult times, as we know. The government has introduced a foreign property tax; I will be interested to see how much money that brings in at a time when property prices are very, very low and going backwards, and when properties are not exchanging hands very readily. I understand what the tax is there for, but it is interesting to note that the foreign property tax was brought in at the same time that the federal government introduced a foreign property tax to get some money.

I turn to the local government and heritage portfolios; some great work has been done there. The minister has introduced a number of bills that were introduced by the former government but did not get through Parliament. Of course, it is great that he has reintroduced those bills. He has done a great job in bringing that information through. Some good work was done by the former government, the fruits of which the current minister has been able to enjoy! Unfortunately, the former government did not do as well as it could have in the local government space during the first half of its term, but in the back end it did much better. It is good to see that the Auditor General is now going to be involved in the local government sector to a greater degree, and is also great to see that the new Heritage Bill 2017 has been introduced in this place so that we can make some real investment —

Mr D.A. Templeman: I thought we might sit late tomorrow night to pass that!

Mr A. KRSTICEVIC: I have a lot for the consideration in detail stage of that bill, so I am looking forward to hearing the minister's extensive knowledge of that portfolio.

There are obviously many areas of concern. We have had the First Home Owner Grant Amendment Bill 2017 and the Sentence Administration Amendment Bill 2017, both of which were rushed to the upper house, and will now be coming back to be fixed up, which should have happened in the first place.

[Member's time expired.]

MR D.C. NALDER (Bateman) [5.03 pm]: I acknowledge the effort made by the member for Carine; I would actually dearly love to hand over my time to allow him to continue this great discussion!

Several members interjected.

The ACTING SPEAKER: Thank you, members!

Mr D.C. NALDER: I stand to further extend the analysis of the past 12 months of the current government. As I said yesterday, I have to admit that I am surprised. I am surprised at the extent to which the government's rhetoric has

Dr Mike Nahan; Mr Tony Krsticevic; Acting Speaker; Mr Dean Nalder; Mr Sean L'Estrange; Mr Simon Millman; Mr Matthew Hughes; Mr Bill Johnston; Ms Simone McGurk; Mr Ian Blayney

changed from what we heard before the election to what we have heard in the first year of this term of government. As shadow Treasurer and shadow Minister for Finance; Energy, I want to focus primarily on those areas.

I will start by looking at the budget and the current debt situation. As we know and have talked about for some time, the current government went to the last election promising to pay down debt like a mortgage and to return the budget to surplus by 2019–20, while at the same time not increasing taxes, introducing new taxes or placing imposts on households. Instead, we have seen a vast array of broken promises in the first 12 months of this government.

One of the key issues put forward by the government is that the former government left the state's financial affairs in a mess. That has been the Labor government's claim for the entire 12 months. The government has focused on the past, and everything is the former Liberal government's fault. The Labor Party is apparently the only party that can come into government and fix this up. It has been fascinating to watch how far off the mark the government has been in fixing up the situation. That is what is really telling. When the government took over, the state net debt, as at 30 June, was just under \$32 billion. We acknowledged that that was high and we acknowledged that it needed to be dealt with. We agreed with the Labor Party that it needed to be dealt with. The Under Treasurer also indicated in the lead-up to the election —

Several members interjected.

The ACTING SPEAKER: Members! Members on both sides, can we not have our own private little debate. The member for Bateman is on his feet.

Mr D.C. NALDER: In the lead-up to the election, the Under Treasurer said that, irrespective of who won the election, the new government would have to deal with the debt issue. When the government's first budget was put out, we saw that debt would peak at \$43.8 billion. This was after the Labor Party said during the election campaign that with its uncOSTed election commitments, debt would reach only \$39 billion by the end of the term of government. Interestingly, Treasury costings for what the Liberal Party took to the election showed that by the end of the first term of a returned Liberal government, debt would have been \$28.8 billion. As we have said, that would have involved the 51 per cent sale of Western Power; we know that whole story.

When we look at the bond rate of three per cent that Treasury paid, we can see that the current debt has an annual interest expense of around \$975 million. When we look at what the interest expense will be on net debt at the end of this term of government, we see that it is around \$1.485 billion—an extra \$510 million a year. When we talk about fixing the budget and fixing the financials, the Labor government would have us believe that it had to break all its promises and introduce all these new taxes to fix the financial situation that it inherited. But as I have said in this place before, all these new taxes combined would not generate enough revenue to cover the increased interest expense that this state is facing over the next four years.

Ms S.F. McGurk: Then agree to the royalty increases.

Mr D.C. NALDER: I just heard the member for Fremantle suggest that we agree to increasing the gold royalty. We know that after the first term of government and the redistribution of the GST, there would be about \$40 million in revenue from that new tax.

Mr W.J. Johnston: It's not a tax and you know it's not a tax.

Mr D.C. NALDER: Whatever the minister wants to call it, it is an impost —

Several members interjected.

The ACTING SPEAKER: Members, thank you! Member for Bateman, speak to me.

Mr D.C. NALDER: The member for Cannington wants to go into the technical definition of whether a \$40 million impost on companies is a tax.

Mr W.J. Johnston: No. You are lying to the chamber.

Mr D.C. NALDER: I beg your pardon.

Mr W.J. Johnston: I said that you're lying to the chamber.

Withdrawal of Remark

Mr S.K. L'ESTRANGE: The member for Cannington just referred to the member for Bateman as a liar and he should withdraw.

Several members interjected.

The ACTING SPEAKER (Ms S.E. Winton): I believe he said that he was lying, not that he was a liar.

Extract from Hansard

[ASSEMBLY — Wednesday, 29 November 2017]

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Dr Mike Nahan; Mr Tony Krsticevic; Acting Speaker; Mr Dean Nalder; Mr Sean L'Estrange; Mr Simon Millman; Mr Matthew Hughes; Mr Bill Johnston; Ms Simone McGurk; Mr Ian Blayney

Mr D.C. Nalder: Are you going to let that go through? You are going to seek advice.

The ACTING SPEAKER: Before I do, I would prefer it if you did not make those comments to me and let me deliberate.

Mr D.C. Nalder: I would prefer that they not refer to me as lying in this chamber.

The ACTING SPEAKER: Excuse me. I ask you again not to give commentary on how I should handle it; thank you. I ask the minister to withdraw.

Mr W.J. JOHNSTON: I withdraw.

Debate Resumed

Mr D.C. NALDER: The gold royalty would have generated \$40 million for the state, but, as I have said, the increased interest expense is over \$500 million a year. Government members argued about the financial situation of this state for two years leading up to the election, yet they went into the election promising that they would not increase taxes or introduce new taxes. If members want to argue semantics about whether the gold royalty increase is a tax, I would be happy to spend a whole day debating that. I can guarantee that every company out there would believe that it is a tax increase, even if it is not the technical definition of “tax”. I do not know anybody who would say otherwise.

The interest expense will have increased by \$500 million a year by the end of this term of government. The government has not dealt with the current financial situation, but it has a couple of other worries. On one hand, the government has kept spending, but, on the other hand, it is talking about cost reductions in the public service and the involuntary redundancies of 3 000 staff —

Mr W.J. Johnston: Voluntary.

Mr D.C. NALDER: Sorry—the voluntary redundancies of 3 000 staff. The government also talks about zero cost growth in the areas of health, police, corrective services, agriculture and, after the first 12 months, education. I am a little dubious about the government’s ability to deliver on zero cost growth if it cannot deal with some of the inputs in its budget that involve the reduction of 3 000 staff in the public service. It has some real challenges around its expense lines.

One of the reasons the Treasurer put forward for the state government needing to break its promise on not introducing new taxes and not increasing taxes is the \$5 billion revenue writedown. As I have said before in this house, roughly 25 per cent of it has been manufactured. There is not a real revenue writedown. One element was because the GST was forecast to be 38c and the reality is that it is just over 34c, but the government forgot to add that the federal government topped it back up to 38c. So it talks about a revenue writedown when it was not really a revenue writedown. When I pointed that out to the Treasurer, he argued that the 38c top-up was applied last financial year, not this financial year. I then pointed out that page 212 of budget paper No 3 refers to slippage—a new line item that the government has put in the budget. I am still not clear why that has occurred, but several hundred million dollars has been transferred from the early years to the latter years. I believe it is to give the impression that the growth in net debt is slowing and, in fact, helps the government reduce net debt from \$43.8 billion to \$43.6 billion between 2019–20 and 2020–21. I think it has been pretty ordinary to say the least.

The difference of \$510 million a year is based on the difference between \$31.96 billion and \$43.6 billion. According to the Treasury costings of the Liberal Party’s election commitments, net debt would have been \$28.8 billion by the end of the term, but the impact on interest expense on the difference between \$43.6 billion and \$28.8 billion grows even further. I am talking about a figure of \$650 million. What makes this interesting is that yesterday in this house, the Treasurer said that if half of Western Power was sold, it would not help the finances and net debt would still grow. The point is that if we sold 51 per cent of Western Power and removed \$11 billion from the balance sheet, the difference between \$32 billion and \$43.6 billion is just over \$11 billion, and we are saying that that is a \$500 million interest expense. The sale of 51 per cent of Western Power would save in the vicinity of half a billion dollars a year in ongoing annual expenses for the state.

Mr W.J. Johnston: Can I ask you a question?

Mr D.C. NALDER: No; the minister has had his chance.

Mr W.J. Johnston: The \$11 billion is not part of general government debt.

The ACTING SPEAKER: Minister, I am sorry; the member is not taking interjections.

Mr D.C. NALDER: Madam Acting Speaker, thank you for your support.

Extract from Hansard

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Dr Mike Nahan; Mr Tony Krsticevic; Acting Speaker; Mr Dean Nalder; Mr Sean L'Estrange; Mr Simon Millman; Mr Matthew Hughes; Mr Bill Johnston; Ms Simone McGurk; Mr Ian Blayney

I understand the difference between the general government sector and the total public sector, and I understand that Western Power sits in the total public sector, but we always refer to the total net debt of the state.

Mr W.J. Johnston: But the total net debt doesn't drive the general government sector borrowing figure.

The ACTING SPEAKER: Minister, please. I look forward to you getting to your feet and perhaps offering a contribution in a little while.

Mr D.C. NALDER: I am happy to stop talking about total net debt and talk about the general sector debt. We have seen the state government increase general government sector debt by 50 per cent in its first year of government. It has introduced a Loan Bill to increase it by 50 per cent.

Mr W.J. Johnston: It's just not true. It's just wrong.

Mr D.C. NALDER: I want to put on record that the member for Cannington is now claiming that it is not true. In the first few months, a bill was put through this house to shift the general government sector debt from \$23 billion to \$34 billion. The government has put through a bill to increase general government sector debt—it will take four years to spend it; I get that—by 50 per cent. I do not care how the government wants to mix it; it has. That is a little bit about the financials. The financials are not improving. The government could potentially get some benefit from some upturn in the mining sector, but it has some pressures in other parts of the economy.

I will turn to a few other things that the government has done with the cost of living. In opposition, the now Premier accused the former government of being mean spirited when it increased electricity prices by three per cent last financial year. After the election, the government increased electricity prices by 10.9 per cent—close enough to 11 per cent. What is really interesting is that, through a freedom of information application, we uncovered that the Treasurer was fully aware that because electricity price rises are based only on the fixed charge, this would result in electricity price rises of 30 per cent and more for pensioners and other vulnerable Western Australians. I do not know how the government wants to dress it up, but if the government wants to call the former government mean spirited for a three per cent increase, I do not know what we could call this increase. The government has talked about by how much the former government increased taxes and charges over its eight years in office. We need to remember that the increases in taxes and charges that have been imposed by this government are greater than those increases because of the effect of compounding. The actual impact on households has been extreme. One of the government's former leaders warned the government about this publicly. He said that governments need to be wary of the unintended consequences of their decisions and the flow-on effects to other parts of the economy. That is what we are starting to see with this government.

It was interesting that yesterday the member for Baldivis tried to correct me and suggested that I was reading from the media. I was referring to data and a press release put out by the Australian Bureau of Statistics. I want to quote a couple of things, because I think the member for Baldivis got a bit confused. He actually used the same numbers as the ones I had used. I said that the median duration of job search in Western Australia has increased from 12 weeks in March 2017 to 27 weeks in 2017. This is the second highest median duration of job search, behind only Queensland at 29 weeks, nine weeks longer than the Australian average at 18 weeks, and almost double the best performing state, New South Wales, at 14 weeks. I said all these things. If members want to pull certain financial levers, they need to understand the consequences of doing so.

We have seen a big backflip from the government this year. That backflip has not copped a lot of attention in the media at this time, but it is to do with privatisation. What we have had from this government is privatisation by stealth. I am talking about the Warradarge wind farm. I do not care how the government wants to dress that up; it is privatisation by stealth. The government has entered into a partnership with a Dutch private equity fund under which two state-owned assets—the Warradarge wind farm at Albany and the solar farm at Greenough River—have been transferred to that fund as an equity injection. Under this agreement, I think the Treasurer said that the state will own 20 per cent and the Dutch equity fund will own 80 per cent of those assets. There is no transparency about this deal, because it is all commercial-in-confidence. We are being asked to take on good faith that proper market-tested valuations have been done on those assets that have been transferred. That is a big question mark. How do we know that is in the state's best interests? Apart from the fact that the government has absolutely broken its promise that it would not privatise assets, we do not know whether the state is getting the best deal it could get. We do not know whether a business case was done in which the weighted average cost of capital that the state can generate was compared with the cost of capital of a private equity firm. We are supposed to take it on good faith that this will be a good deal for Western Australia. I suggest the government has done this to get it off the balance sheet. However, there are question marks about the change in accounting standards and whether that will be sustainable or will come back onto the balance sheet in two years. A lot of questions will be asked about this moving forward.

A number of concerns have arisen over this past parliamentary year. As the shadow Treasurer and shadow Minister for Energy; Finance, I have raised concerns to do with my shadow portfolios and with what this government promised and committed to the people of Western Australia and what it has been delivering ever since that time.

MR S.A. MILLMAN (Mount Lawley) [5.23 pm]: I am relatively new to this place, so I am still learning the ropes and how one goes about these debates. The opposition has advanced the proposition that this house expresses concern over the failures of the McGowan government in its first parliamentary year. During this debate, we have heard from the members for Carine, Riverton and Bateman. Not one of those members pointed to one particular event, policy or objective and said, "There is a failure." They talked about different narratives and issues. They said that the government could have done this better or done this differently. As they advanced their case, they failed to provide any philosophical narrative that would have combined the arguments they were trying to present. Members opposite do not know which way they are coming or which way they are going. Their problem is that they no longer know what they stand for. On the one hand, they say to us that they are concerned about the revenue situation, yet they voted to oppose the gold royalty increase. On the one hand, they say to us that they are worried about reigning in expenditure, yet they criticise us for our machinery-of-government reforms, which are designed to try to bring the structural situation of government back under control. On the one hand they say to us that we need to spend more money in government, and on the other hand they say that the deficit and debt are a significant problem. Unless and until opposition members can strike upon a fundamental narrative about what they believe, they will continue to struggle to land a blow on a focused, disciplined and dedicated government that understands precisely what it is trying to achieve—that is, a better future for all Western Australians.

When I look at our frontbench, I do not see any failure. I see precisely what the people of Western Australia voted for on 11 March in overwhelming numbers. The Labor Party was delivered a mandate. Overwhelmingly, in the electorates that we represent, people voted for a change of government. People might have voted for a change of government because they wanted a fresh approach. People might have voted for a change of government because we had activated and energetic local campaigns. People might have voted for a change of government because the candidates that we put forward reflected the values and beliefs of the communities they were seeking to represent. People might have voted for a change of government simply because this mob opposite had run out of horsepower.

This is a significant problem for the state of Western Australia. This government ought to be held to account. We need a dedicated, focused and hardworking opposition, advancing intelligent, worthwhile and meaningful arguments. We do not have that, and we have not had that. We will not let the absence of a focused, dedicated and professional opposition stand in the way of us doing exactly what the people of Western Australia have elected us to do. I have the utmost respect for the member for Bateman. I understand precisely where he is coming from in the arguments that he advances. The fact of the matter is that we live in a parliamentary democracy. The 2017 election was nothing if not a referendum on the privatisation of Western Power. The results speak for themselves. The people of Western Australia voted overwhelmingly for the position that we put. The position that we put was informed and underpinned by the fundamental philosophical view that monopoly assets ought not to be privatised. The problem for the member for Bateman is that on the one hand he says that one way to fix the balance sheet is to privatise Western Power, but on the other hand he wants to criticise the government for what it is doing with Synergy and Greenough.

Several members interjected.

Mr S.A. MILLMAN: We said we would not privatise Western Power, and members opposite know that is true.

I would like to contrast the approach that has been adopted by the opposition this afternoon with some of the achievements of the McGowan Labor government in the short time it has been in office. We have, for the first time in history, a minister responsible for tackling family and domestic violence. We have Minister McGurk who is serving the interests of the community, putting the interests of women first and taking positive and active steps to deal with what is a well-known scourge in our community. We have a Minister for Tourism; Defence Issues who is working tirelessly to promote and diversify the Western Australian economy through encouraging tourists in our market. Time after time, Minister Papalia has stood in this place to tell us just how many more tourists are going to come here when direct flights arrive from East Asia via China Southern Airlines, China Eastern Airlines and Japanese Airlines, to say nothing of the fact that he lobbies assiduously and with a dedicated commitment for Western Australia's share of defence manufacturing. Take a leaf from his book, members of the opposition. We have a federal Liberal government and we need its help to encourage and promote our industry. Opposition members should get on board. Whose side are they on? We have a Minister for Health who has, in his first weeks in office, taken on the heavy burden of responsibility of repairing the problems that plagued Perth Children's Hospital. When the new government was elected, the only thing that was required in this scenario was leadership,

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and the Minister for Health has stood up and answered the call. We see today the fruits of his labour: a time line set for the opening of Perth Children's Hospital.

Mr W.R. Marmion interjected.

Mr S.A. MILLMAN: Something that I know is dear to the heart of the member for Nedlands because it lies in his electorate.

Mr W.R. Marmion: I wish it was opening earlier.

Mr S.A. MILLMAN: Everybody does. It would have been fantastic to have had the hospital opened on time and on budget. Unfortunately, that has not happened.

Ms J.J. Shaw interjected.

Mr T.J. Healy: Order!—sorry.

Mr S.A. MILLMAN: I will come to the member for Southern River. We have a Minister for Health who is committed and dedicated to delivering an affordable and good quality public health service to the people of Western Australia. We have a Minister for Police who is focused on tackling crime. Both parties campaigned strongly on the issue of methamphetamines at the state election. I have no doubt that if the opposition had been elected into government, it would have applied what it thought were the best policies to tackle this issue. Unfortunately, plagued as it is by the absence of an overarching narrative to understand precisely what it is that they believe, its members do not know whether they are coming or going. When it comes to tackling the scourge of meth, the Minister for Police has implemented a multi-faceted approach that is targeted at prosecution, protecting the community and tackling the importation and proliferation of this evil drug. We see a comprehensive strategy involving legal enforcement, more police and more investigations in order to deal with this issue. That agenda is being forcefully pursued by the Minister for Police who is acutely aware of the damage that this drug does to our community. We have an incredible Minister for Transport who is delivering on what will be a terrific landmark nation-building program for Western Australia. People will talk about Metronet for decades to come. It is a transformational project that will drive growth, jobs, economic investment and opportunity. There is no better person to have in the driving seat for that endeavour than the hardworking, dedicated Minister Saffioti who is putting all her effort into making sure that when we deliver Metronet, it is world-class and befitting of the people of Western Australia. I know that it will make a massive difference to the people in the communities of the members for Southern River and Swan Hills and all people in Western Australia because of the significant transformational economic impact that it will have. It is a project of vision, a project for the future and a project that will make a massive difference to the lives of Western Australians. I say to the Leader of the Opposition: do not be a nay-sayer, do not be pessimistic and do not talk down Western Australia. He should talk it up and be on "Team WA". Let us make a difference because Metronet —

Mr S.K. L'Estrange: He said it was the greatest depression ever.

Mr S.A. MILLMAN: Member for Churchlands, that is why we are on the path to fixing it. Metronet is going to make a massive difference. Let me come to the member for Churchlands. We have a Minister for Education and Training who is supported by some fantastic backbenchers with a story of wonderful careers in the education sector—Madam Acting Speaker (Ms S.E. Winton), I see you in the Chair, and the member for Southern River and the member for Kalamunda. I wonder how much better the local high school in the member for Churchlands electorate will be when those crippling enrolment pressures are reduced. Anyone driving past Churchlands Senior High School can see the proliferation of transportable classrooms, which is an indictment on the situation. Do members know what we are doing? We are investing \$60 million into the electorate of the member for Nedlands to build a new high school to alleviate the pressure on the school in the electorate of the member for Churchlands. All the member for Bateman can do is complain about us handing out oversized cheques. I am coming to his electorate with a cheque for \$64 million for a brand-new high school. I am coming after the member for Churchlands next and I will say to the people in his electorate: there is a much better high school. That is a service to the community.

Mr S.K. L'Estrange interjected.

The ACTING SPEAKER: Member!

Mr S.A. MILLMAN: Just give me one second to finish this point. I am on a roll, member for Churchlands. This also benefits the people of my great constituency in Mount Lawley because it will also alleviate the enrolment pressures on that most magnificent school: Mount Lawley Senior High School. Sorry, the member for Churchlands has a question—let's go!

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Dr Mike Nahan; Mr Tony Krsticevic; Acting Speaker; Mr Dean Nalder; Mr Sean L'Estrange; Mr Simon Millman; Mr Matthew Hughes; Mr Bill Johnston; Ms Simone McGurk; Mr Ian Blayney

Mr S.K. L'Estrange: I like your efforts with the Kitchener Park school, I cannot wait for that to be opened, but the population at Churchlands will still be over 2 000. Will the member ensure that the City Beach high school site stays for education purposes into the future?

Mr S.A. MILLMAN: Member for Churchlands, what a great question. It highlights the sort of deliberate, long-term view that this responsible, new government is taking. The member for Bateman talked at length —

Mr S.K. L'Estrange: Will you preserve the City Beach high school site for a new school?

Mr S.A. MILLMAN: I will tell the member what we will do. We will preserve Mount Lawley Senior High School and we will alleviate the pressure on Churchlands Senior High School by making sure we build the Kitchener Park high school.

Mr S.K. L'Estrange interjected.

The ACTING SPEAKER: Thank you! Member for Mount Lawley, through me. You are going to run out of time.

Mr S.A. MILLMAN: Sorry, I beg your pardon, Madam Acting Speaker. I am going to try to lower the tone a bit because we are getting a bit excited.

The ACTING SPEAKER: I would appreciate that.

Mr S.A. MILLMAN: I am trying to tell that to the member for Dawesville. One of the fundamental considerations that needs to go into the significant and onerous responsibility that the McGowan Labor government now bears is this: the significant population growth in Western Australia over the last 10 years with an attendant increase in the size of the state and the cost of government expenditure. Contrary to what has been advanced against us, in order to respond to that, we need to make sure, scalpel-like with nuance and attention to detail, that we control the cost of government sensibly, assiduously and not drastically, because at the moment we see those nascent signs of a recovery. That optimism and confidence is slowly returning, due in no small part, I am sure, to the new approach adopted by the McGowan Labor government. Optimism is coming back into the community with a fresh start. We do not want to trample on those green shoots of economic recovery so, gradually and sensibly, we need to shape, change and shift the size and scope of government service provision. That is a difficult task. That is why we have had machinery-of-government changes and the introduction of a voluntary redundancy scheme. These are sensible, proportionate, responsible and appropriate mechanisms to try to bring the structural concerns that are attending the WA state budget's system back under control. This is a difficult task but, luckily, we have a Treasurer who is up to the task. Time and again, this Treasurer—a graduate of the London School of Economics, no less—has shown himself to be adept at identifying and responding to the economic and budgetary issues that our state currently faces. I commended the Treasurer for his first budget. His first budget was better than the eight and a half years of budgets that preceded his first budget. His first budget shares the responsibility for fixing the state's finances equitably across the community. All we need is an opposition that takes its responsibility—its sacred duty to the people of Western Australia—seriously and makes a fair contribution; to be part of the solution, not part of the problem.

Let me finish on this. We have an activist, engaged and committed Attorney General who has brought before this Parliament historical legislation—fantastic legislation—that fulfils one of the Labor Party's key election commitments that it took to the people in March. It was to put victims back at the centre of our justice system to rebalance the scales of justice in the interests of fairness. Once again, through all the legislation that the Attorney General has brought to this chamber, we are achieving that objective.

When I turn my mind to this motion and I hear criticism of the failures of the McGowan government, I am amazed at the opposition's audacity in bringing such a motion before this Parliament because, as I survey the landscape of the past nine months of the McGowan Labor government, I see no failures. I see nothing but success after success after success!

MR S.K. L'ESTRANGE (Churchlands) [5.42 pm]: I am very excited, Madam Acting Speaker!

The ACTING SPEAKER (Ms S.E. Winton): I am excited to hear you.

Mr S.K. L'ESTRANGE: This has been a fantastic year for the opposition. I will tell members why. We suddenly realised that we might be in opposition for only three years; that is what we just worked out. We just worked out that we might be here for only three years. We will get time to regenerate, recuperate, reinvigorate and recruit new talent—all these opportunities—while the poor ministers do their 20-hour days with their double-dipping car allowances, getting bogged down in those green covered folios that ministers get. They take their ministerial overnight bags and drag them home. The kids ask whether they will get to talk to mum or dad; they say, “No, kids; I've got to go to the study” and they work all through the night. They do not get to be energetic, enthusiastic and creative. They are now bogged down in the mechanics of government. Nobody has been more disappointed than

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me in this Labor government. I will tell members why it has been a terrible first year for the Labor government of Western Australia!

Several members interjected.

Mr S.K. L'ESTRANGE: It has been a terrible year! I will tell members why it has been terrible. In its first year, the government demonstrated a complete lack of integrity to the people of Western Australia.

Ms J.J. Shaw interjected.

Mr S.K. L'ESTRANGE: The member for Swan Hills is getting all excited over there. It demonstrated a complete lack of integrity. Do members know what else the government has shown the people of Western Australia? It has shown a complete lack of fairness. Members can go and ask the pensioners who were whacked with a 10 point something per cent electricity price increase during the middle of winter.

Several members interjected.

The ACTING SPEAKER: Member for Churchlands, I know the member for Mount Lawley really got you excited, but can I get you to speak through me. That way, I will be able to help you keep the chamber a bit quieter.

Mr S.K. L'ESTRANGE: I so much appreciate your protection, Madam Acting Speaker, from the mob opposite!

The ACTING SPEAKER: Speak this way, member; through me.

Mr S.K. L'ESTRANGE: I absolutely appreciate your protection because they are a mob!

Several members interjected.

Mr S.K. L'ESTRANGE: They are an absolute rabble! They not only lack integrity and fairness; they lack honesty. Honesty is a big thing for the people out there in Western Australia. They will judge a government on whether it can be trusted. That is what they will do.

Ms J.J. Shaw interjected.

Mr S.K. L'ESTRANGE: Member for Swan Hills, or wherever you are from, the public do not trust you. They know members opposite cannot be trusted.

Several members interjected.

The ACTING SPEAKER: Members! Member for Swan Hills, if you continue, I will call you.

Mr S.K. L'ESTRANGE: Thank you again for that protection from the rabble up there on the back bench, Madam Acting Speaker. The member for Swan Hills is out of control. Here we are in our first year. For mathematicians out there, when we combine the numbers the Liberal–National Parties have at the moment with an extra 12 seats—if we add another 12—guess what that means? It means we are back in government! Us, plus the Nats, plus 12 means we are back in government. Guess what happened today? That number dropped to 11 today. It is one down, 11 to go. That was the government's backbencher. Members opposite all loved him. They all said his integrity was intact and their integrity was intact. They said, "We know what we're doing; we're supporting our mate." I remember the Minister for Veterans Issues saying, "I won't take this muck; I'll stand side-by-side with my Labor mate. I won't let him down!" No worries, mate; off you go to the crossbench.

Several members interjected.

The ACTING SPEAKER: Thank you! Member for Churchlands, could you please speak through me. Hansard is having a lot of trouble picking up everything you are saying.

Mr S.K. L'ESTRANGE: Thank you again, Madam Acting Speaker, for your guidance.

The ACTING SPEAKER: Would you like to actually listen to it? That would be great.

Mr S.K. L'ESTRANGE: I do have to speak to the audience but I will make sure that Hansard can hear me. I think Hansard can hear me.

The ACTING SPEAKER: No, member for Churchlands. You are not speaking to an audience; you are speaking to me.

Mr S.K. L'ESTRANGE: Through the Chair; I know I do not have to face that direction —

Several members interjected.

Mr S.K. L'ESTRANGE: Through the Chair: the cameras are not there; they are over there. There are people who enjoy watching Parliament, members. A big audience out there would love nothing more than to hear my speech on why the Labor government cannot be trusted.

Ms J.J. Shaw interjected.

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Mr S.K. L'ESTRANGE: I have just made the point, member for Swan Hills, that the government is now one member down and there are 11 to go. I reckon that 11 will rack up pretty quickly because I have not heard a great number of performances from the member for Burns Beach, but he is on 2.5 per cent. We get a few innocuous interjections from the member for Kalamunda, who is sitting on 2.5 per cent. What is the member for Burns Beach during there; he used to be over there? Actually, it is a good thing he moved because where he was sitting is a danger zone. He has to be careful.

Several members interjected.

The ACTING SPEAKER: Members!

Point of Order

Mr M. HUGHES: The noise from our side is so strong that I cannot hear the drivel that I would like to hear. I would like to hear the drivel in some degree of silence, please.

The ACTING SPEAKER (Ms S.E. Winton): Thank you, member. The member for Kalamunda has indicated he is finding it hard to hear at the back, so if you could keep it a bit quieter. Member for Churchlands, again, I know you are playing to the cameras, but perhaps play to me.

Debate Resumed

Mr S.K. L'ESTRANGE: The people of Western Australia need to hear this, Madam Acting Speaker. They deserve to know the truth because they are so used to not getting the truth.

Several members interjected.

Point of Order

Mr W.J. JOHNSTON: I thought that it might assist the member for Churchlands to know that there are recording devices and amplifiers in the chamber, and that he does not have to yell to be heard. It may be of assistance if he understood that there is electronic equipment here to project his voice. He does not have to yell at you in the way that he is currently yelling at you in a very disrespectful way.

The ACTING SPEAKER (Ms S.E. Winton): Thank you. No, that is not a point of order.

Debate Resumed

Mr S.K. L'ESTRANGE: The member for Cannington always likes to give good advice. He is a man of great knowledge in this place. He often pontificates on all sorts of things, be it the definition of tax through to the volume of my voice. I thank him for his learned interjection. I will reiterate this for the member for Kalamunda, who did want to listen to this very important point. I thank the member for Kalamunda.

The point I am making is that the government is now one member of Parliament down in its team; it is one down, 11 to go. The member for Kalamunda is sitting on 2.5 per cent, and the member for Burns Beach—who avoids sitting near where the member for Darling Range used to sit, with good reason—is sitting on 2.5 per cent. We have the member for Jandakot sitting on one per cent, the member for Murray–Wellington on 1.4 per cent, the member for Kingsley on 0.7 per cent, and the member for Pilbara—even with \$1 billion spent on his electorate—on 2.3 per cent. Earlier this year we heard that fantastic contribution from the member for Kingsley, who thought it was unfair that the member for Pilbara got \$1 billion and she got only a few hundred thousand dollars. The member for Bicton sits on 2.9 per cent. Once all those members get rolled out on a three per cent swing —

Several members interjected.

Mr S.K. L'ESTRANGE: What is the member for Southern River on?

Mr T.J. Healy: You always miss me out!

Mr S.K. L'ESTRANGE: Do I? Sorry, the member is right. The member for Joondalup is on 0.6 per cent, and what is the member for Southern River on? I cannot find it.

Mr T.J. Healy: I feel left out!

Mr S.K. L'ESTRANGE: I am looking at those under three per cent. Anyway, the point I am getting at —

Several members interjected.

Mr S.K. L'ESTRANGE: Calm down! If you want a bigger swing, go for it!

The ACTING SPEAKER (Ms S.E. Winton): Members, thank you! Perhaps we can google all those margins. Can we continue on the point of the motion. Thank you.

Mr S.K. L'ESTRANGE: The point of the motion is that this has been a terrible year for the Labor government. It has lost one of its MPs in its first year, for which it took no responsibility, by the way. It just left it completely

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up to him to wither on the vine and make his own decision to go. But, anyway, it has lost an MP. Eleven more to go and we are in government! I am highlighting the fact that with that member gone and another seven sitting on under three per cent, we have to find only four seats at the next election. I tell members what: there are a few members sitting on under 5.5 per cent who will quickly make up that four and, lo and behold, the ministers will get a rest. The people of Western Australia will say, "Do you know what? No, thanks." That is what the people of Western Australia will say if the government continues the way it is, showing a complete lack of integrity, a lack of honesty and a lack of fairness to the hardworking people of Western Australia on fixed incomes and doing it tough, trying to run these social issues through the Parliament—no doubt important social issues—and continuing to grandstand without actually cutting to the chase of what it is here to do.

The government is fundamentally here to do what it promised at the last election, which was to increase jobs. It said that jobs were the number one thing it would focus on this year. Back onto the track record of the government in Parliament this year, what did it do? It introduced a jobs bill. And what did we do? We had the absolute pleasure of having the Premier sit at the table in here during consideration in detail. After three and a half hours we worked out that he did not know anything about his bill. Not only did he not know anything about his jobs bill, but also his jobs bill would not create one extra job.

Mr T.J. Healy: Yes, it does.

Mr S.K. L'ESTRANGE: It would not create one extra job. In fact, when he was asked —
Several members interjected.

The ACTING SPEAKER: Members, I am really finding it difficult to hear the member for Churchlands. I know you might find that a bit hard to believe, but he is actually speaking a bit more quietly now, so could you please stop the interjections.

Mr S.K. L'ESTRANGE: When we looked at his jobs bill and asked some serious questions, such as, "What about the agreement that the commonwealth and the states have with New Zealand? Can you exclude New Zealand companies and businesses from applying for contracts with the Western Australian government?", he said, "Oh, well, actually, no, you can't." When we said, "What about the Constitution of the commonwealth and the states' agreement that says you cannot preclude another state from bidding for a government contract in Western Australia?", he scratched his head on that one and looked for advice. Members, it was a hollow bill and a publicity stunt, and we identified it as that. It will not produce one extra job.

Mr T.J. Healy: You voted for it.

Mr S.K. L'ESTRANGE: We let go through; we did not oppose it. There is a difference.

It will not produce one extra job, and the people will judge the Labor Party for that. The government comes into this place saying that since it has been in power, things have gotten better. Things are not getting better when it comes to jobs because, as reported in the editorial in yesterday's *The West Australian*, the people of Western Australia are saying that it takes 27 weeks to find work. I think, from memory, that that article states that since records have been kept, that is the longest time it has taken to find work in WA since 1990–91.. It has never taken longer. The last time we had a full-blown Australian recession was in 1990–91, and this government, after being elected off the back of a jobs plan, has come into this place and it now takes 27 weeks for somebody who is lucky enough to get a job to find a job. Notwithstanding that, only a few months prior we also read in the papers that we now have 95 000 people, or one-third more than ever before, in the dole queue because they cannot find a job. The government promised jobs. Jobs are, and going into the last election were, the number one economic issue facing this state that concerns those mums and dads who put all the new backbenchers into Parliament. Although this government comes in with a social agenda that might have merit, it is not producing the jobs and building the economy in the way that it should be and in line with what it promised the people of Western Australia going into the election. They are now starting to see that this government is nothing more than a double-down, do-nothing McGowan Labor government. They are starting to see that for what it is. I think today was just testament to the fact that even the Premier of Western Australia was not prepared to take a leadership stance on the issue of the member for Darling Range's credentials and background, and instead let him make his own decision to go to the crossbench. It showed a complete lack of leadership when the people of Western Australia on talkback radio all through yesterday, for those who listen, were calling for action from the government.

The government cannot come into this place and say it has had a good year. It has had an atrocious year. If the government thinks, looking at an opposition of 13 Liberals and five Nationals, that we are a terrible opposition and are not doing our job well enough, I can tell members now that the government has lost one MP in its first year and the Premier is simply not cutting through to the people of Western Australia. There is division in its cabinet. Only this week the Minister for Veterans Issues took a completely different position from the Premier on the issue with the member for Darling Range. That was the first bit of division we saw from this government.

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Earlier this year the Minister for Health and the Treasurer were in disagreement over whether to take the keys for Perth Children's Hospital. We exposed that by going through all the reports and creating a time line that showed the sequence of events that led to the taking of the keys of Perth Children's Hospital. We discovered, as did the media, that the director general of the Department of Health made a key recommendation to the Minister for Health not to take the keys; 16 days, or thereabouts, later the Treasurer took the keys. That was a clear point of conflict between Treasury and Health over what to do with Perth Children's Hospital. The government played the spin of politics over the substance of what was in the best interests of the people of Western Australia and put its spin ahead of their needs. That is what the government did and continues to do on the hospital, and it will be found out. If the government continues the pattern of deceit of the people of Western Australia on these serious issues, I can tell members what: roll on 2021, because the Labor party will be a one-term government. All those backbenchers sitting on less than six per cent should make sure they have something lined up for 2022, because the way their cabinet is behaving and communicating to the people of WA and the way the Premier is lacking leadership on the key issues that people worry about is what this government will be judged on in 2021. The member for Kalamunda may shake his head, but he should go out and talk to his community or poll it and ask how successfully the government is going. The member for Kalamunda will be one of the first to go. The community has the member for Kalamunda well and truly in its sights. I am hearing from some of the member for Kalamunda's Labor colleagues that he will resign early anyway.

Mr M.P. Murray: Is that right?

Mr S.K. L'ESTRANGE: That is what I am hearing. I am hearing that the member for Kalamunda does not even want to be here. When the member for Kalamunda pulls the pin, that will be two gone—two down! He has had enough already. He knows it has been a terrible year and he wants out. He wants to catch the bus to Kalamunda and go. He has had enough! We know he has had enough.

Mr M.P. Murray interjected.

The ACTING SPEAKER: Thank you, minister!

Mr S.K. L'ESTRANGE: There are a couple of key and pertinent points I want to make before I hand over to some of my learned friends on this side of the chamber who can help the government understand why it has had such a terrible year.

Mr M.P. Murray interjected.

Mr S.K. L'ESTRANGE: The minister should not talk. I will tell the Minister for Sport and Recreation what: he has had a terrible year. He is a great Western Australian. He knows he wanted that stadium to be Perth Stadium for the people of WA and he acquiesced and gave into that man, because he wants to call it Optus Stadium. That is a disgrace and the minister knows it. The minister knows he wanted that stadium to be called Perth Stadium because he knows that Western Australians are proud people.

Mr W.R. Marmion: Integrity!

Mr S.K. L'ESTRANGE: It is about integrity. The minister is a man of integrity. Why does that man not have the minister's integrity? Why did he not call it Perth Stadium?

Mr M.P. Murray: Everyone on my side has integrity.

Mr S.K. L'ESTRANGE: The people will judge.

Mr M.P. Murray: What about all the backstabbers you've got over there?

Mr S.K. L'ESTRANGE: I will tell the minister what: the member for Darling Range has a few knives in his back right now as he is wandering about out there in the wilderness. He is wandering out there in the wilderness right now.

Mr M.P. Murray: Turn around and let me have a look at the back of your suit coat. I bet there are half a dozen holes in it.

Mr S.K. L'ESTRANGE: The minister should not worry about that.

Let us get on to the real issues that matter to the people of WA.

[Member's time extended.]

Mr S.K. L'ESTRANGE: I —

Ms J.J. Shaw interjected.

Mr S.K. L'ESTRANGE: I know that the member for Swan Hills —

Ms J.J. Shaw interjected.

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Mr S.K. L'ESTRANGE: They are very excited.

The ACTING SPEAKER (Ms S.E. Winton): I am exhausted!

Mr S.K. L'ESTRANGE: I just want to wrap up with a few key points. The most significant point to do with this Labor government's first year, which adds up to it being a double-down, do-nothing, untrustworthy government, is the fact that it promised not to increase taxes and not to introduce new taxes. The Labor Party went to the election with a promise. The Premier repeated it twice to the people of Western Australia. He went into the election and told the people of Western Australia that there would be no increases to fees and charges. He said that what the Liberal-National government did in keeping increases in charges to inflation was terrible. He said that the Labor Party would keep them down. I noted at the time that the Treasurer gave himself some wriggle room. The Premier said that there would be no new taxes and no increases to taxes, but when the Treasurer was asked the same question, he said, "I am not going to say that." That is a point of difference right there. The Minister for Veterans Issues disagrees with the Premier and the Treasurer disagrees with the Premier. When the minister talks about knives, I think they are all lining up well back. They have been lining up well back in the Labor Party.

Mr M.P. Murray: Just look up *Champagne Charlie*. That is what your side was.

Mr S.K. L'ESTRANGE: I will tell the minister what: we all know that if he is talking *Champagne Charlie*, he is talking about the Minister for Corrective Services. There is no chardonnay set minister in this place other than the Minister for Corrective Services swanning around out there in Swanbourne.

Mr M.P. Murray interjected.

The ACTING SPEAKER: Minister!

Mr S.K. L'ESTRANGE: The Minister for Corrective Services is swanning out there in Swanbourne when his electorate is doing it tough with increased fees and charges. That is the Labor Party's Minister for Corrective Services and the Minister for Sport and Recreation knows it. He knows exactly what I am talking about.

Mr M.P. Murray interjected.

Mr S.K. L'ESTRANGE: There we go!

Mr M.P. Murray interjected.

The ACTING SPEAKER: Minister!

Mr S.K. L'ESTRANGE: Although the Minister for Sport and Recreation is interested in my appearance, I can tell members that the people of Western Australia are interested in trust. They do not trust the Labor government, because it promised, and the Premier promised, no increases in taxes and no new taxes, and what did the government do? It increased taxes.

Mr M.P. Murray interjected.

The ACTING SPEAKER: Minister, I am not going to warn you anymore.

Mr S.K. L'ESTRANGE: What did the Premier do? He went straight out there and increased taxes. The people asked him what he was doing that for. The Premier increased taxes and introduced new ones when he said he would not do it, but he did it. I do not think we are allowed to use the word "lie" in this place, but that is called a breach of trust. How does that sound? It is a breach of trust.

Ms C.M. Rowe interjected.

Mr S.K. L'ESTRANGE: Let me go to the next breach of trust, member for Belmont. The former member for Belmont, that wonderful lady Glenys Godfrey, she knows, because she always got out in the member for Belmont's community. The member for Belmont knows this. The former member was a hardworking local member; the member for Belmont cannot deny that.

A government member: She didn't work hard enough.

Mr S.K. L'ESTRANGE: The member might not know her. There was a mutual respect between these two members. They both know how hard each is prepared to work; I will grant that to the member for Belmont. I know that Glenys Godfrey was one of the hardest working MPs in this place. Nobody can deny that, so if members do not know her, I suggest they keep their mouth shut on this one, because she really was a very hard working local member. I can tell members now that she is a retired lady and she is well connected with some real battlers of Belmont. She is a former Mayor of Belmont. She is well connected to those battlers. The biggest group of battlers who are doing it tough at the moment are those pensioners on fixed incomes, particularly those on the full government pension. Going to the election, this government promised pensioners that it would keep fees and charges down and that it would not sell Western Power—which is a policy we took the election—because if

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Western Power was sold, fees and charges would go up and pensioners would freeze in winter because they would not be able to afford their power. When this Labor government came in, on 1 July, even before it laid down its first budget, it decided to whack an increase in fees and charges on power of over 10 per cent. What was most concerning was that \$170 of that was an increase to fixed charges, irrespective of how much power those age pensioners used in their homes. Age pensioners under our regime might have been doing it tough with increases in power charges of three per cent or four per cent and they were turning off the power in winter to save money, but under this government, they cannot even turn off their power to save money because the government has increased the fixed rate, which means that it does not matter if someone uses zero power, they still get an increase to the fixed rate of \$170. That means that despite trying to stay warm in winter without power and trying to save money, they are losing money anyway. I think that was the single meanest thing that this government did this year. It was bad enough to increase taxes and introduce new taxes, which it said it would not do. That was bad enough. But for the government to tell the punters who were doing it really tough that it was going to keep charges down and then to do what it did was just really shameful. The member for Belmont has left now, but if she got out there and talked to those people that the former member for Belmont would talk to, that is the message she would get loud and clear from her constituency. That was the first thing.

I will wrap up shortly, but the other big bit of deceit from this government was that it went to an election saying it was going to pay off debt like a mortgage, that everything was under control and that it had a plan to reduce debt. There is one reporter out there, Joe Spagnolo of *The Sunday Times*, who consistently asks "What's the plan, Stan?" in relation to the government's plan to bring down debt, because it does not have a plan. We knew that.

Mr M.P. Murray: Your credit card was overdrawn.

Mr S.K. L'ESTRANGE: Minister for Sport and Recreation, the government is adding \$11.3 billion to that credit card.

Mr M.P. Murray interjected.

The ACTING SPEAKER: Minister!

Mr M.P. Murray interjected.

The ACTING SPEAKER: Minister for Sport and Recreation, I call you for the first time.

Mr S.K. L'ESTRANGE: The Minister for Sport and Recreation knew that debt was a key issue going to the last election and he knows that the people of Western Australia's focus was on jobs and they were concerned about debt. He knows that. He also knows that in his government, the government he is a minister in, cabinet has not presented a plan to this place or the people of Western Australia for how it is going to pay down debt. It has not produced a plan yet. We are one year in and there is no plan. In fact, the only thing it came up with was that before the election it said it would create a debt reduction account.

Mr M.P. Murray interjected.

Mr S.K. L'ESTRANGE: Wait, Minister for Sport and Recreation. Before the election, the Labor Party said that it would create a debt reduction account and that when iron ore prices got to \$85 a tonne and when the GST share reached 65c per capita, it would start putting money into this debt reduction account and paying down debt. That is what the Labor Party went to the election with. After the election, the government put out its first budget and it changed that debt reduction plan to implement the creation of an unintended revenue account. I do not know what unintended revenue is, but it is referred to in budget paper No 1. Nobody from the government has yet explained to this place or the people of Western Australia where this unintended revenue is likely to come from to help it pay down debt. That tells me that it has no plan to pay down debt.

Let us just sum up: no increases in taxes; no new taxes. How did it go on that? What is the scorecard on that, members? Fail; absolute F. It increased taxes and it introduced new taxes. How is it going with its debt reduction, which it went to the election saying it would pay off like a mortgage? How is that going? Fail. It has failed there. How is it going with fees and charges, particularly for the hardworking people of Western Australia doing it tough and pensioners? How is it going with that? Fail. Those are three key fails that the government went to the election on, in its first year.

Then we have the integrity test. The biggest integrity test the Premier faced this year was how he handled the turmoil around the member for Darling Range's background, as found out and put through by the media.

Mr M.P. Murray: Same as when you had Troy Buswell!

Mr S.K. L'ESTRANGE: As the minister knows, the former member for Vasse, Troy Buswell, resigned from this place. We know he resigned, but that is history.

Several members interjected.

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The ACTING SPEAKER (Mr S.J. Price): Members!

Ms S.E. Winton interjected.

Mr S.K. L'ESTRANGE: Member for Wanneroo —

Several members interjected.

The ACTING SPEAKER: Members! Thank you.

Mr S.K. L'ESTRANGE: The last big test for the Premier in this first year of the Labor government in Western Australia was an integrity test on his leadership and how he handled the situation surrounding the member for Darling Range, and he squibbed; he let it go. He decided to do nothing. He said, "I'm not doing anything. It's too hard. I don't want to be attached to this." That was a real integrity test, because people were looking to the Premier for leadership on that. They said, "We've got a member of Parliament whose military history is in question, whose police service history is in question, whose CV with regard to his academic qualifications is in question", and what did the Premier do? The Premier said, "I'm not going to do anything." He waited for the member, not to resign from Parliament, but to resign from the Labor Party and stay on as a crossbencher. That is what the Premier did today. I tell members that they may not like my speech, but let us watch and see what the commentators think, because they will reflect on whether they think the Premier acted with integrity and they will make their commentary, on which the people of Western Australia will judge the government. I say roll on 2021 because if the Labor government thinks its first year was a good year, it is living in fairyland. It had a terrible year—it failed on three key election promises and it lacked integrity.

MS S.F. MCGURK (Fremantle — Minister for Child Protection) [6.12 pm]: I am quite keen to address this motion about how the McGowan government has gone in its first parliamentary year. In my portfolio, and in a number of other social portfolios, we have been very busy. It is one thing for the member for Churchlands to get to his feet and raise the volume—he likes to raise the volume and make sure he has everyone's attention—but let us have a look at the previous government's record.

The opposition is asking us to talk about integrity, but it knows its record in government was pathetic—absolutely pathetic. We need look no further than the former member for Vasse. His behaviour was tolerated time and again by the entire Liberal caucus room and the party leadership. When he was called to account for ongoing bad behaviour, I remember the Premier at the time saying he would ride him like Black Caviar and keep on his back, and that was how he was going to try to bring him to heel. Later on, when we heard that the member for Vasse got drunk at a wedding and drove his car home through Subiaco—it was lucky that no-one was hurt or killed—we were told not to talk about the incident because there were mental health issues involved and we were being insensitive for speaking about it.

Those were the standards by which the previous government conducted itself, so it is a little galling for the opposition to criticise us. The Premier has handled very well the issue of the member for Darling Range's questionable credentials by saying he should come clean and explain himself to the Parliament, and we will wait for him to do that. That is not defending the member's actions or hiding from the issues; it is urging the member to be upfront with the Parliament and with his electorate, and that is what we are waiting for him to do.

It is also galling to be lectured by the other side about how we have performed in our first parliamentary year because we have to manage the most appalling set of books that could have been left to us in respect of the amount of debt and ongoing deficit we have inherited, which comes after a period of record economic growth. Just when the community needs support and the state needs job-creating opportunities, the government is forced to operate in an incredibly constrained budget environment. But we are determined to continue to support the community and we are determined to make sure that we do not cut too hard and too fast to stimulate the economy, bring about job-creating possibilities and bring the budget under control. We on this side of the house have confidence in the leadership and stewardship of the Treasurer to manage that process, but it is not at all helped by the opposition and its pandering to the gold industry, with the result that the gold industry does not have to make any contribution to repairing the state's finances.

I want to speak about an area that I have responsibility for, the prevention of family and domestic violence. There are no quick fixes for the terrible rate of family violence we have in our community. We have known about this for a number of years as a result of the significant advocacy by some very brave individuals, such as Rosie Batty, and determined efforts by other governments, such as the Queensland government and, in particular, the Victorian government, which held a royal commission into the issue. We are starting to appreciate the extent of the problem, but we have to also appreciate the complexities if we really want to turn this issue around.

I am very proud that we went to the election with a package of initiatives. We have talked about the framework time and again, but it is worth reminding the Parliament and the public about our strategy, which is that if people need help, we are determined to make sure there are services available for them. That is not easy. It is one thing to say that there should be women's refuge beds available, once people can come into the women's refuge system—

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from all accounts I have heard, the support there is very good—but, of course, it is not always practical for people to come into a women's refuge. It might be because of where they live—in a regional or remote area—or because of their own circumstances. They may not feel ready or able to come forward and ask for help. We have to make sure there are appropriate services available for people escaping violence to get advice and know that someone will be there for them. We are increasing the services available. Members will be aware that we backed up our commitment to two new refuges in the last state budget, and we are getting on and planning those two new refuges, with funding of more than \$8.2 million—one in the metropolitan area and one regional.

We are also determined to make sure that we have culturally appropriate responses. We have allocated \$1.7 million to look specifically at culturally and linguistically diverse and Aboriginal communities to understand what it will take to make services available that women will feel safe to seek help from, and to understand the circumstances of violence. It was interesting meeting with Our Watch, the national organisation that the state government has signed up to. Its job is to understand and analyse what is going on with domestic violence and to work with other states and the federal government and move towards understanding the problems so that we can have a better response in our community to try to prevent domestic violence. I met recently with one of its lead researchers, as well as a woman dedicated to working with Aboriginal communities, to talk about the extent of violence against women in those Aboriginal communities. I believe domestic violence is partly a result of sexism in our community and the fact that women are not equal partners and there is often a disregard for women and girls in our community. I think that is one of the reasons we have high levels of violence. What has been the effect of white settlement over time in Aboriginal communities? What has been the effect of the removal and disregard of traditional Aboriginal culture, the traditional forms of community organisation and the cultural connection in those communities, or the disempowerment, if you like? What role is that playing in the extent of domestic violence? If we understand that a bit more fulsomely, will it mean that we can give a better response and have healthier and happier communities, which will be good for everyone in those communities—men and women alike, but certainly the children in communities who are disproportionately impacted by violent situations? We allocated money to that in the last budget.

On that point, it is worth highlighting the terrible family and domestic violence statistics. In WA, 50 000 cases are reported to police each year. In the last 12 months, we have had 12 completely avoidable deaths. We know that two-thirds of the cases that are reported to police and that go on to be triaged by child protection workers, police and support services involve children. Children are seeing or experiencing the violence themselves. It is obviously very traumatic and detrimental to those children. There is a high number of children in out-of-home care in WA. Over 4 800 children are now in out-of-home care and 54 per cent of those children are Aboriginal. It is a terrible figure. If we really want to turn those figures around, we have to look at the pipeline earlier. We have to look at what is happening with families and communities and at how we can build healthy families and communities. I do not shy away from bringing children into the care of the child protection system if that is what it takes to keep them safe. However, everyone would agree that children are better off with their parents and their families in a happy and healthy environment. They are the communities that we have to try to work with, and that is enormously challenging. Through our family and domestic strategy, and through working with Aboriginal-controlled organisations and the Aboriginal leadership in those communities, that is what I hope to do. Under my other portfolios, I will also work on early intervention to build happy and healthy families.

Not only are we looking at prevention and early intervention for those families and communities that are disproportionately affected by family and domestic violence, but also we want to make sure that we build a conversation in our community. That is why members are wearing badges for the 16 Days in WA to Stop Violence Against Women campaign, which starts with White Ribbon Day and ends with Human Rights Day. The idea of that campaign is to ensure that there is awareness raising that we all have a role to play in stopping domestic violence and challenging the behaviours that underpin domestic violence and allow it to occur, including sexism and stereotyping and disregarding women in our community. I look forward to seeing a video that is about to come out. A lot of this campaign has been online. A number of male leaders in our community were very happy to say to other men, "We have a role to play in stepping up and saying that we are all stronger and better off if we have a violence-free community." This is awareness raising. This is positive leadership by our Parliament and our government. It is important for the general community, but it is certainly important for young people and young men in our community. This government is determined to continue to roll out this program of change.

We have committed to spending just under \$1 million in building up respectful relationships training in schools. It is not just a matter of standing up and saying, "We reject domestic violence. We do not support domestic violence; it should not occur." Of course we think that, but it is also about living those values in the structures of organisations. For instance, if someone gets up in a school environment, a sporting environment or a community group and says, "We don't accept domestic violence. We think domestic violence is bad" but then allows bullying to occur or demeaning attitudes to women to continue to go unchecked, the message is completely weakened and ineffective. These attitudes are being exposed in the light of the Weinstein revelations coming out of the United States and the exposure of ongoing sexual harassment and bullying in the entertainment industry and at

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senior levels of government in the US now flowing through to Australia. It is important that those stories see the light of day and are talked about in our community. It is important that not only are the perpetrators held to account, but also there is a conversation about what this means in our families, workplaces, sporting clubs and community groups, as well as in our schools. As I said, we are determined to ensure that this government plays a leadership role in challenging those behaviours that have allowed violence against women to go unchecked.

It has been interesting to see some of the online comments as we have worked through our 16 Days in WA. Many people have come forward and thanked us for our efforts, but some people are challenged by these ideas. I understand that change is uncomfortable. The whole idea of challenging existing beliefs is to get people to look at their behaviour or their beliefs that may lead to unacceptable behaviour. I hope to do that in a positive and constructive way, but we hope to challenge those beliefs nevertheless. For instance, on social media, some men are asking, “Why is the government talking about ending violence against just women? What about violence against men?” Of course it is the case that all violence is bad, whether that violence is against women or men. Of course we think that should be challenged. But the domestic and family violence statistics are very clear. Violence against women is mainly at the hands of an intimate or former partner. The vast majority of violence against men and women is at the hands of a male perpetrator. The Australian Bureau of Statistics 2012 personal safety survey found that 95 per cent of all victims of violence in Australia, whether they be male or female, reported a male perpetrator. That is the sad fact. I am not saying that men are not victims sometimes—they are certainly victims of violence—and I am not saying that men or boys are not at times victims of domestic violence, but the vast majority of that violence is against women and children, but particularly women. Unless we face up to that fact, we will not understand the particular circumstances within which it occurs and is allowed to occur. We do not shy away from challenging those views. We hope to bring the community along in that conversation and have a constructive and positive conversation, but a challenging conversation nevertheless.

[Member’s time extended.]

Ms S.F. McGURK: When we have had these debates, many members have talked about how they have made contact with some of the services that are provided in their electorate. The member for Geraldton, who is sitting across the chamber, has some fantastic services in his electorate, as do many members. Those services are doing fantastic work across the state. Many members have acknowledged the important work of women’s refuges and support groups and understand how difficult that work is. A number of months ago, I visited a women’s refuge in the south west. They have decided to put in closed-circuit television, because they are concerned that drones are being employed to track what is going on at that refuge. They spoke about how the police had asked whether they could bring in a woman from another town, because the police were not convinced that she would be alive by the end of the week if they could not bring her into that refuge.

Some very severe violence is still occurring in our community. We need to have an effective and concerted response to that violence. I am very pleased that the national family violence restraining order scheme is now law in this state. Western Australia was late to the party, but we expedited that legislation and got in by the skin of our teeth to put that in place by 25 November. Those types of protections are very important. However, unfortunately the reality is that domestic and family violence is happening at the extreme end of the continuum. It often manifests in a less obvious but more insidious and coercive way, but it is violence nevertheless, and it fits the definitions contained in the family violence restraining order scheme and other criminal definitions of domestic violence. We need the community to understand what is going on within those dimensions.

As I have said, I get the impression that people welcome those conversations. There would not be a time when I speak at a public forum or at a community or business group when someone does not come up to me afterwards and say, “It’s funny you have said that; I have just had this happen with a friend of mine”—or it might be in their family or extended family—and tell their story. Some of those stories are quite shocking.

As a government, we have elected to support victims of family and domestic violence by providing up to 10 days paid leave for public sector workers who are experiencing domestic violence and need support. Over half of the victims of domestic violence are in paid employment. It is important that those women can remain connected to their work colleagues and continue to have financial independence. The government is a large employer, and we have a role to play for the 100 000-plus employees for whom we have responsibility. It also sends the message that if people need help, they should come forward. The provision of that leave also starts a conversation in the workplace and in the community: Do we really need this? Is this really necessary? Is this the extent of domestic violence in our community? Sadly, we do need it. That is why it is good to have these conversations.

I was pleased to meet with Rio Tinto shortly after we announced that we would implement 10 days leave for victims of family and domestic violence. It has since announced the same amount of leave for its 19 000 employees nationally. Similarly, other large organisations, whether it is BHP, Programmed or Qantas, and a number of the universities and some local government organisations, are also understanding that they could implement leave for

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victims of domestic violence with the supporting education and infrastructure that goes around that leave as a way of not only supporting victims, as I said, but also having a conversation in the workplace.

Support for the RSPCA Pets in Crisis program also works on a number of levels—firstly, on a practical level. If a woman with children and family pets is thinking that she may need to leave the family home in order to leave a violent situation, trying to understand how she is going to manage the logistics, it can often be a practical barrier and make her second-guess whether it is worth leaving, thus leaving herself in a violent situation. We need to make a transition towards safety and ease that path for those women. Making sure that the family pets can be looked after in a temporary and safe environment is important, particularly for children, so that they know their pets are being looked after. As *The West Australian* reported just this week, there are unfortunately times when violence against pets is used as a threat to members of the family. It is either the threats of violence against the pets or actually harming those pets. I have heard some shocking stories in which pets have been killed or tortured in front of family members as a way of threatening other people or other members of the family. Supporting the Pets in Crisis program is a good practical measure of something that the state government could do. In fact, recently, at one of the briefings of the department that I have responsibility for, the Department for Communities, one of the employees told me that on reading about this program in the paper, she decided to ring up the RSPCA and say, “I would like to foster a pet, if that is helpful.” People can also support that program by agreeing to foster a pet.

There are many more initiatives in my portfolio of Women’s Interests. There is a huge appetite in the public sector and also, I am pleased to say, in the corporate sector, of finding ways we can better utilise the human capital we currently under-utilise—that is, women in our workforce and in our community. That is perhaps a speech for another time. I am really enjoying having those conversations with leaders in the public sector. There is certainly work to do in the public sector; there is no doubt about that. We have a huge amount of talent, but we need to foster that talent up through the classification structure, particularly at senior levels. Without a concerted effort, attitudes by itself will not achieve that. I am also very pleased to have those conversations with members of the corporate sector. They are very interested in understanding how they can break down the gender biases within their own conversations. PricewaterhouseCoopers has just done some work looking at how we can change attitudes to challenge some of the gender biases within our workforce. I welcome that analysis and those contributions to our work. We have a huge amount of talent in this state. We know that we have talent in a range of different areas. We have to harness that talent so that a pipeline of the workforce is going into different areas of industry, particularly science, technology, engineering and mathematics, for instance and not just the traditional areas. I know the minister responsible for science and technology is interested in not only how to encourage more women to think about training and working in STEM, but also diversity across our workforce.

We are all the stronger for increasing diversity at a leadership level, whether it is through membership on boards or committees, or in different industries throughout our economy. We made a commitment to have 50 per cent of the membership of our government boards and committees made up of women by the end of 2019. I am very pleased to say that we are moving along well towards that goal. Our OnBoardWA website recently reported to me that it has over 500 expressions of interest. People have logged on and indicated in which industry or area that they might be interested in sitting on a board or committee, and have put their curriculum vitae on that website. Over 300 of those expressions of interest have come from women. There is a lot of talent out there. Our job is to harness it and utilise it throughout the workforce. I am very proud to be part of a McGowan Labor government that is determined to do just that.

MR I.C. BLAYNEY (Geraldton) [6.40 pm]: Mr Acting Speaker, thank you very much for sitting in the seat for me so that I can make my speech.

The ACTING SPEAKER (Mr S.J. Price): My pleasure.

Mr I.C. BLAYNEY: I want to talk mostly about my shadow portfolios: agriculture, food, fisheries and forestry. I also want to talk a bit about my electorate of Geraldton and, if I have time, a bit about the Standard and Poor’s report.

Agriculture is an interesting area. It needs careful and good management, but it is a long-term portfolio. One of the things I learnt as a farmer, and other farmers will say the same thing, is that farmers do not really think from year to year; they think from decade to decade. That is also true of the fishery and forestry industries. The deregulation in many areas has taken the levers away from government. Of course, the levers now lie in the invisible hands of the market. The most recent example of that change was the deregulation of the potato industry. Agriculture has a very bright future, if for no other reason than the 850 million middle-class Chinese who, by 2030, will be demanding high quality, clean produce, which we can produce. The world demand for protein is lifting, and we can see that very clearly in the prices for beef and lamb and very encouraging prices for wool. It is also very pleasing to see an increase in the amount of meat that has been processed locally and then exported, which is a very good development. Strategically, I have been doing a bit of work in agricultural education, which is one of

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my interests. It is interesting to compare Australia with Israel. I looked at agricultural education in Israel a couple of years ago. Israel is a nation with 8.5 million people. It is a world leader in many areas in agriculture. Western Australia has 2.5 million people and is also a world leader in some areas. Israel has one agricultural faculty in the whole country and Western Australia has three universities involved in agriculture. I know from a previous life as a research funder that it is very hard to get universities to change. Change has to be imposed on them, as a rule. The suggestion by the Chief Scientist a while ago that we start this process by developing a virtual institute that combines all three is a very good idea and should be pursued.

I welcome the government's recent announcement about wild dogs. I will be watching closely to see the effectiveness of the strategy and also talk to industry to see what areas need more attention. I have had a couple of interesting discussions with Co-operative Bulk Handling Ltd—the grain handler. CBH has a new boss, Jimmy Wilson, who used to run the iron ore division of BHP. He has a very clear focus on safety and on making the whole network more efficient. I get the feeling he will do that. He does not seem to have a problem with the industry and the industry is quite happy to go with him. A review is currently underway, and I think submissions are being taken at the moment on the railway code under which the network is accessed. We have only to look at the amount of time it has taken CBH and Arc Infrastructure to reach an agreement. They have been negotiating for a number of years now and they do not seem to be any closer to a final result. The code is clearly not good enough. I am told that if they were to adopt the federal rules, which are better, it would take six years. It seems to be a real problem. I am quite happy to acknowledge that the Liberal–National government sold the lease over the railway system a few years ago, but the code and rules that it works under are not good enough. If this is an opportunity to change the rules, then the government should bite the bullet and do it. When Karara Mining, the magnetite producer east of Morawa from my electorate, was negotiating with Brookfield Rail to access and lease the railway lines, it concluded that the code was a complete waste of time and did not go near it. Next year, I will be trying to look at the South Australian model for transport of agricultural machinery at harvest time. It also occurs, obviously, at seeding. I am told that South Australia has a better model than ours, so I will have to look at that.

There has been a bit of commentary about the government having to find the money to match research funds. Growers pay compulsory levies and those levies have to be matched by the state government in order for research to be undertaken in Western Australia, funded by those bodies. I have a subtle warning: a lot of the research we are doing in Western Australia could be done in South Australia. The South Australians are hungrier for it and, some would say, are better at it. If we do not put that on the table, it will leave the state. Western Australian growers would be disappointed to see the funds that should be spent on research in Western Australia being spent by another state. However, I also think that they would accept that if the funding bodies explained to them why they had to do that.

Pastoral land reform is another issue that has been on the table for a long time. It needs to be tackled and dealt with this time. We need certainty and it needs to be easier for operators—people on pastoral leases—to get environmental clearances. I had a look at a situation at Mowanjum in the Kimberley recently where they want to put in another centre pivot. A bilby has not been seen in that area for 20 years, but because a bilby was seen there 20 years ago, it looks as though they will not get the clearing permit that they need. That just does not make any sense.

Mr W.R. Marmion: Is that in Mowanjum?

Mr I.C. BLAYNEY: Yes. Also, someone else south of Broome wants to put up a heap of centre pivots but he cannot get permission to get the water out of the ground. The Water Corporation is saying that it wants to monitor it for three years. We cannot say to investors to come back in three years' time.

Mr W.R. Marmion: Is that Pardoo?

Mr I.C. BLAYNEY: I think it is at Pardoo.

The precautionary principle seems to have completely taken over in Western Australia. If we can find a reason to stop anything, it is dragged out and used as a means to not do something. I do not think we are doing it right. We are being too hard. People do not want to completely trash the environment, but I think we have gone too far with the precautionary principle.

Animal welfare is another issue that has raised its head, which happens quite regularly. There is a balance to be struck here. There has to be respect for producers, but of course the producers have to understand community concerns, so we are working on that at the moment.

I was very pleased to hear the government announcement the other day that it had settled with Kimberley Agricultural Investment for Ord stage 2. I met with them in Kununurra in July. At that time there were serious issues with their leases and a couple of promised titles, one on which they have their Case IH agricultural dealership and the other one is a grain cleaning plant. From what I read in the rural press, I understand that those

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issues have been fixed, so I am pleased to see that has happened. Once again, it is another area that I will keep a close eye on.

I met with representatives from Curtin University to discuss Muresk Institute. I broadly agree with what the government wants to do at Muresk. I think it is a good idea that Curtin University is running a specialist two-year management qualification. It is the right course to have there. When I was overseas and visited the Hebrew University in Israel, I also visited what was recommended to me to be arguably the best agricultural management college in the world—the Royal Agricultural University in the UK. I do not see why we cannot have as good an institution here. If we focus and we want to do it, we could do it; we could have the best in the world if we want it, we just have to want to do it. One of the things we have to do is avoid the issue of what is called academic creep in which the status of academics comes from the courses that they teach. If people are not careful, they can get control of the situation and keep trying to push up longer and more complicated qualifications. I think that is what happened before at the Muresk Institute.

Another issue I take a slight interest in is people being able to remove water from the Fitzroy River when it is in flood to store it for irrigation. I look forward to talking to the member for Kimberley about it. Nearly all the water—it is 99 point something per cent—that goes down the Fitzroy goes straight out to sea. I cannot see how allowing one per cent of that to be diverted to storage could do any damage. If members do not know, the Fitzroy is the biggest river in Australia. Plenty of water goes out into the gulf every year. It would lead to employment possibilities in that area and, at the moment of course, there is not a huge number of employment possibilities. I think that is another issue on which we have to perhaps be prepared to bite the bullet.

Fisheries is also interesting. I have dealt with fisheries since becoming the member for Geraldton, obviously because my electorate is home to the largest commercial fishery in Australia—the western rock lobster fishery. Fisheries is very scientific and built around the scientific management of wild stocks. It has a really strong basis in science. Government rules, of course, can be incredibly important to the industry. The reforms that the Barnett government brought in in 2008 and 2009 to switch the western rock lobster fishery to a quota transformed the industry. Of course, the majority of fish eaten in the world are farmed; they are not wild catch. It is pleasing to see our first aquaculture zone at Cone Bay in the Kimberley. We were nearly organised to visit it when I was there in July, but it is a funny story. We were going to fly out there by helicopter; we had paid to go on a helicopter. It was close to the time when Bronwyn Bishop was dragged into “Choppergate”. The political advice to us was not to go on a helicopter—politicians in a helicopter would have been pasted by the media! As a result, that visit is for another day.

Mr W.R. Marmion: You wouldn't have been attending a Liberal Party event though.

Mr I.C. BLAYNEY: At Cone Bay, I suspect not, no.

The second aquaculture zone is in the Abrolhos Islands. I am glad to see \$10 million is in the budget for the Abrolhos Islands over two years. I did a grievance on the Abrolhos Islands, which was more focused around the national park. When the Liberal–National government first came in—I am glad to see the current government seems to have come around to our point of view on this—the aquaculture zone was there and ready to go. The national park is probably the best way to do it. I went to a half-day seminar about it in Geraldton the other day. People are still doing a lot of thinking about it. There has been talk of up to 1 400 jobs. I do not know how many jobs we can get in the aquaculture zone and from the tourism industry there, but I can tell members that in my electorate every job counts. In every electorate, every job counts but, if we look across the landscape, it is very hard to get new industries into that area, so any jobs we can get would be good.

Another project I am interested in is the Seafarms Group's proposal for a prawn farm. The prawn farm will be in the Northern Territory but the processing will be in Kununurra—Project Sea Dragon. There are huge projections for employment of about 500 people in the East Kimberley. I think that would be a fantastic project but people who know about these things tell me there are all kinds of reasons it might encounter a few problems. It will be an interesting one to watch.

Mr W.R. Marmion: How's it going now, do you know?

Mr I.C. BLAYNEY: I think it has done the approvals and things like that, but the project is in the billions, so it is not mucking around.

I have to admit that forestry is an area I did not know a huge amount about until I was given this job. It is not a huge industry; it is worth about \$1 billion a year to Western Australia, but, once again, in the regions where it is concentrated, it is really important because, as I said, every job counts. I have looked through the strategic plan for the growth of the softwood industry, and a gap is coming up. The decision a few years ago to get pine trees out of the Gnanagara mound has meant that we need significant plantings to address the approaching supply gap.

Extract from Hansard

[ASSEMBLY — Wednesday, 29 November 2017]

p6296b-6322a

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I welcome the commitment in the budget to start the expansion of softwood plantings in the Wellington catchment but I really urge the government to carry on and do more.

On hardwood, there seems to be a complete acceptance of the rule brought in to preserve the old-growth forests some years ago. However, the industry is concerned, as we would expect, that it faces constant battles getting access to areas it is allowed to access. The industry would also like to move away from the fixed 10-year agreement that it has now to a different model that allows the industry more investment certainty. Forestry fits in with three major themes of our times, if you like: locking up carbon, addressing salinity and stable, long-term jobs. I think the industry is worthy of a lot more government time and money. These three industries are all very valuable to Western Australia from many angles. They all have long-term markets and futures. As I said, expansion and new industries in this state are frequently hamstrung by environmental red tape driven by the precautionary principle. Projects need to be evaluated, but the system we have seems to be in place to stop developments rather than to encourage them.

On the electorate of Geraldton, the previous government obviously put quite a lot of money into the regions. There was a large amount of local involvement in how that money was allocated. Estimates I have been able to come up with vary, but it seems that the Midwest Development Commission had a midwest investment plan that it was allocating. It was to be over five years, but it had slipped out to six or seven years. But my estimate is that between \$80 million and \$100 million may have been taken out of the Midwest Development Commission. Quite a lot of that money was earmarked for projects that were still in the approval process. There was \$20 million for the expansion of the Geraldton Museum, which is a mostly interpretive project for HMAS *Sydney (II)*.

[Member's time extended.]

Mr I.C. BLAYNEY: An amount of \$40 million was earmarked for the Geraldton Hospital and the majority of the funds was for sealing the road between Meekatharra and Wiluna, which it has been waiting for since 1957 when the railway was closed. Our Liberal–National government had committed \$138 million for the Geraldton Hospital. This year's budget promised planning for only a \$45 million expansion, with no figures in the budget for the out years. We see this as a litmus test for the government. It pulled twice that amount of money from the Midwest Development Commission but it has not spent anything on the hospital. However, I would like to acknowledge the investments in the Geraldton Airport runway and the Abrolhos Islands funds.

Finally, I am very pleased to see progress towards setting up our two high schools as standalone high schools running all the way from years 7–12. The commitment of \$25 million from the previous government has been spent on the ground. The board of John Willcock College recently made the decision to rename the school the Champion Bay Senior High School, and I fully endorse that. With the introduction of the specialist science, technology, engineering and mathematics program—a dividing line has been drawn between the two schools, and they have done a very good job of that—I am confident of the future of both schools.

Finally, I acknowledge Lisa Criddle, principal of Allendale Primary School, for being awarded Western Australia's Primary Principal of the Year. Lisa is a very focused person. I have had the focus turned on me quite a few times when she has been chasing something for her school! I do not seem to be able to solve her car parking issues, so I hope they will have a bit more luck with that in the future.

I was going to talk about the Standard and Poor's report, but I appear to have run out of time.

Several members interjected.

Mr I.C. BLAYNEY: I have to keep talking. I enjoyed the presentation of the member for Fremantle. She came up to the electorate for a conference on domestic violence and stayed until lunchtime, which was noticed.

I urge anyone with an interest in these things to read the Standard and Poor's report. The only comment I would make would be my conclusion, if I can find it somewhere. Having read the Standard and Poor's report, the government needs to change its narrative. After reading the report, I saw that the debt levels are not particularly high.

Debate adjourned, pursuant to standing orders.