

COST-OF-LIVING INCREASES — MCGOWAN GOVERNMENT — ELECTION COMMITMENTS

Matter of Public Interest

THE SPEAKER (Mr P.B. Watson) informed the Assembly that he was in receipt within the prescribed time of a letter from the Leader of the Opposition seeking to debate a matter of public interest.

[In compliance with standing orders, at least five members rose in their places.]

DR M.D. NAHAN (Riverton — Leader of the Opposition) [3.09 pm]: I move —

That this house is deeply concerned that the McGowan government is targeting pensioners, the working poor and the vulnerable through cost-of-living increases to pay for \$5 billion of unfunded election commitments.

Again, we go back to the starting point, which was about a year ago when the previous government brought down its budget. Electricity prices, both variable and fixed charges, went up by three per cent. The comment by the then Leader of the Opposition, the now Premier, was that it was heartless; it was attacking the low income people who relied on essential energy services. It was an attack on the poor, the working poor and the people struggling in our community. The reality was that there were a lot of households struggling with the cost of living at that time, as they are now. The former Leader of the Opposition said that the increase in electricity prices that we put in place at that time was merciless and heartless. That was in the run-up to the election and he promised that it was in the DNA of Labor to be concerned about high electricity prices and other fees and charges. He told the people of Western Australia that a Labor government would not do the same. In other words, he set a standard that a Labor government would not implement a three per cent increase.

Move forward six months to the election campaign, and the McGowan opposition campaigned strongly on electricity prices and promised to keep them low. The then Leader of the Opposition did so in two contexts. The first was through the debate about whether or not to sell Western Power, with the opposition, the now government, promising not to sell Western Power in order to keep electricity prices low, stating clearly that the Labor Party was the party committed to keeping them low. The then Leader of the Opposition also stated repeatedly and loudly that if the Labor Party won the next election, which it did, it would keep electricity fees and charges at the levels of the forward estimates, which were seven per cent, seven per cent and seven per cent respectively for electricity. After the Labor Party came into government, it announced it was going to break that promise.

The claim was that everybody had to share the pain, but electricity prices are complex. If there is one increase, it has different distributional impacts on different people. When the Treasurer; Minister for Energy was getting advice from Synergy and other entities about the distributional impact of the policy format that would be pursued, he was quite clearly informed that his preferred policy, which was the policy implemented to increase fixed electricity charges from 48.6c to 94.4c a day, would have a significant impact on people who consume modest amounts of electricity. That stands to reason; he should not have had to get advice on that. This was also severe because the Treasurer put the increase totally on fixed charges so people on low incomes who consume modest amounts of electricity cannot avoid the increase; it is fixed. They cannot get solar cells, they cannot turn down the electricity and they cannot wrap themselves in a blanket to avoid electricity costs. That is what the Treasurer decided; the Labor government knew this. Synergy told the government this in great detail. But what did the Treasurer say? He said that he did not care. He implemented the policy to increase fixed electricity charges by more than double, from 48.6c to 94.4c a day, which equates to \$160 a household. The Treasurer was informed that pensioners on a consumption of 1 500 kilowatt hours would have a 30 per cent increase in electricity costs in a single year and that they could do nothing about it. Even freezing in their own homes will not save them any costs. That is sharing, according to the Labor Party; that is equitable, according to the Labor Party.

People with solar cells have a wide distribution of income—some are wealthy, some are not; some are pensioners, and some are not. Those with a three kilowatt-hour system will see their charges go up by 20 per cent. That was probably the target. The government knew. It has increased electricity prices by 11 per cent overall, knowing it would have a disproportionate impact on people who had solar cells. Those people had installed them to avoid electricity costs. The real target is the people who cannot avoid the increase through the use of solar cells, who have to consume electricity and who live on fixed incomes. They have worked hard all their lives and saved. They may be on a pension or a part-pension, or they might be self-funded retirees. This government came in and hit them with a 30 per cent increase in electricity charges. A 30 per cent increase is tenfold to what the McGowan opposition promised would be its maximum increase—tenfold. When hit with this fact, which was obtained from Synergy through freedom of information, the Treasurer said it was because the Liberal opposition stopped the increase in the gold royalty—absolute bunkum. The decision to increase electricity charges was made in June. The decision to implement a royalty increase on gold was made in September. The Treasurer just misled the public

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again. He misled the public about the magnitude of the increase and what the government intended to do. He hit the most vulnerable in this community with a 30 per cent increase in electricity charges.

That is the Labor Party. It is supposedly the party of battlers, workers and whatnot. Maybe it is because pensioners do not work or maybe they are not members of unions, but this is an atrocious breach of commitment. Before the election the Labor Party decried us increasing electricity charges by three per cent and decried the argument I put to put more weight on fixed charges rather than variables. It then comes out with a \$160 increase in fixed charges. The government has hit pensioners hard and there is no way it can run away from this. That is the true and indelible mark of the McGowan government. The government does not come clean; we have to squeeze information out of it. When asked about this, the government blames us; everything is us. It is because we stopped the gold royalty—again, absolute nonsense. The gold royalty had nothing whatsoever to do with the government's decision on electricity.

On other aspects of energy the argument is that we were looking to increase fixed charges rather than variable charges. That is true, but we never did, because we were looking for another way. We knew that increasing fixed charges by themselves would have a significant negative impact on the people on fixed incomes with a low consumption of electricity.

We looked in great detail at how to avoid the negative distributional impact of increasing fixed electricity charges on the most needy in our community. There were other technological ways to do that such as the investment in smart meters and variable pricing of electricity, and that is what we were working towards, rather than doing what this government has done. We looked at increasing fixed charges, but the truth of the matter was that we never did it because we were worried about pensioners. We never increased fixed charges as much as this and I would not have done it. I would have looked at the figures and asked how we could rationally justify increasing electricity prices on low income, low consumption households by 30 per cent in a year. The Labor government has done it. The Labor government is responsible for it. That is the opposite of what it said it would do and it will be reminded about it year on year. Yes, the Labor Party says that back in 2008–09 the government of the day increased electricity prices significantly.

[Interruption.]

The SPEAKER: Member for South Perth, I call you to order for the first time.

Dr M.D. NAHAN: Of course, what they leave out is that when we came into government, in July 2008, the Carpenter government had announced a policy of increasing electricity prices by at least 10 per cent a year for six to eight years. That was in the forward estimates—10 per cent a year because of the botched electricity reform. What did we do? We never did anything like the government is doing now—never—and we will not either. The government will be held accountable for the worst gouging of pensioners and hiding from that that I have ever seen.

I asked the Premier in question time about the hardship utility grant scheme. He bragged that the government had increased the extent of the hardship utility grant scheme—the amount allocated to the scheme and per grant. The fact is that the 2 650 applicants in January under our watch has increased to a massive 10 697. The Premier said, “Yes, we allocated more money for it”, but if there is no indication, that is a 300 per cent increase in demand for HUGS. The government will have to allocate more money, because I think its hardship utility grants are almost done. Just a few months after the increases—this is in July before some people got the increase in their bills—there was a massive increase in applicants. Yes, it is expenditure, but the real point is that it is an indicator of how much pain the government is pushing onto low income households. I hope government members are proud of themselves.

MR D.C. NALDER (Bateman) [3.21 pm]: This matter of public interest motion focuses around our concern that the government has been targeting pensioner and single households in Western Australia on electricity price increases. The government has been quite sneaky about this, and it shows, because it was given advice in April on the impact that this change in electricity prices would have on the community. I would like to read from a document that states that the impact on the average single household will be 29.42 per cent, the impact on the average couple household will be 20.14 per cent, and for those that have an average solar system on their roof it will be a 16.5 per cent increase. The government came into this place and said that the average increase would be 10.9 per cent but failed to highlight the information it was holding that this would impact particular sectors of our community a lot harder than others. What is difficult about this reform and these price increases is that there is no way that these people can manage themselves to get a lower bill. These increases are in fixed charges that will hit the bottom line and there is nothing that consumers can do about it; they cannot reduce consumption to lower these cost increases. They will hit everybody.

It is interesting that the government has put additional allowances into the hardship utility grant scheme. We are seeing an increase in applications now. We really look forward to seeing the midyear review and the impact that will have. Let us just talk about this. This is a massive impact and a massive impost on certain sectors of our

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community, yet the government's budget forecast suggests that in 2020–21 these total increases in household charges will generate only \$7 million of additional revenue. We are seeing a massive amount of pain through households. I checked in budget estimates and confirmed with the Treasurer that the \$7 million increase in revenue from household charges is correct, and that that is all that will be achieved. But the interest expense on the state's debt within four years, by 2020–21, will be \$510 million a year. This pain we are putting pensioner and single households through will not even make a dent in the increase or new interest expense that we will see in 2020–21. It is an additional \$510 million a year. The revenue from this pain is \$7 million. It accounts for less than 1.4 per cent of the increased interest expense this state will be paying within four years. This is not budget repair! It does not matter what argument the government puts forward in this house or out in the community that they are making everybody pay for budget repair, this is not budget repair. This is 1.4 per cent of the increased interest expense that we will see in the next four years. Interest expense will climb to \$510 million a year over the 2020–21 financial year. That is 1.4 per cent. We are not dealing, as the government claims, with what it has been left by previous governments. The government is increasing debt by over 34 per cent and it will see an increased interest expense of over 50 per cent over the next four years—that is, an additional \$500 million. All the revenue measures—adding in the gold royalty that has been stripped out—only generate \$280 million in revenue. None of these measures will contribute to budget repair. They do not meet the increased interest expense that we will see over this next four years, and \$380 million of that is solely the result of new debt that we will see in this term of government, and \$130 million of that is because of interest rate increases foreshadowed in the forward estimates. It will be \$510 million a year by 2020–21. The pain on households that includes water and energy across the board will generate \$7 million—have a look at the forward estimates.

Mr D.J. Kelly: You don't know what you're talking about; seriously.

Mr D.C. NALDER: Thank you, Minister for Water. I read the budget papers and I can refer the minister to page 8 of budget paper No 3 that refers to household fees and charges and shows that in 2020–21 there will be an increase in revenue of \$7 million from the household charges implemented this year. If we see a \$510 million increase in interest expense based on the state's debt, of which \$380 million is because of new debt the government is accumulating in this term of government, the government cannot tell us that these measures are for budget repair. I can assure members that these measures are an attempt to contribute to the Labor Party's election commitments. The Labor Party made \$5 billion of election commitments, but not all of them are currently in the budget. We can wait for them to come. I say to this government: you can fool some of the people some of the time, but you cannot fool all the people all the time.

MR D.T. REDMAN (Warren–Blackwood) [3.27 pm]: We have said in this house before that this is about trust. The Labor Party went to the election saying that there would be no increases in charges or fees, but what has it done? It has brought down some record increases. Mums and dads were absolutely misled at the last election and are now being hit up for an average of \$440 a year. A range of increases to fees and charges have hit the bottom line of people in our community who find it hardest to pay those outgoings. Over the forward estimates there is something like \$238 million from that increase in fees and charges. The government had some choices. I remember that when he was in opposition the current Minister for Water talked about our government using Water Corporation as a cash cow. He said there was something like a \$200 million net accrual to government from Water Corp. The government has put in place a \$400 million net accrual to government out of Water Corp. Those fees and charges that mums and dads are paying to Water Corp are going straight from Water Corp to the government to pay for Metronet. They are peeling off a little bit on the way through and will up the hardship utility grant scheme a bit to look after a few people who are really going through some pain, and they are. Looking at comments in the media on the pressure on mums and dads out there, they are going through some pain. An online article in *The West Australian* reads —

Foodbank's latest Hunger Report, to be released today, shows the number of WA people who got help from the charity increased 44 per cent compared with last year and more than 13,000 were turned away.

Towards the end of that article, the commentator said —

He said 41 per cent of people struggling to feed their families had neglected paying bills so they could buy groceries.

The pressure is right on mums and dads out there. Another article on 7 October refers to the impact when it states —

The State's welfare lobby said the latest figures were alarming but not surprising given WA's economic troubles and the size of cost-of-living increases in the Budget.

What do we get from the Minister for Community Services? The article states —

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Community Services Minister Simone McGurk said the reasons for increased demand included better awareness of the scheme ...

Demand for the hardship utility grant scheme is increasing because of better awareness of the scheme! I think that is absolutely shallow from a government that says it stands up for the hardest hit in the community. It is not. It has hit the mums and dads in the community. The substantial increases in those charges is going straight from those utilities through to government to pay for Metronet. The government would be well informed if it were to take off a little bit of railway line from Metronet and we would not have this being reported in the paper from the hardest hit in our community.

If the government is running the commentary, “Yes, we have an extra \$5 billion of writedown in revenues in the forward estimates”, welcome to the world we had when we were in government! We were held to our commitments; government members will be held to theirs. This government is breaking its commitments left, right and centre. Most importantly, the people sitting in the community who are most impacted by this cannot afford to pay. It shows through in the media and it shows through in the numbers. The government needs to be held to account for that. In a whole range of other areas, it is hitting the people who can ill afford to be hit.

MR B.S. WYATT (Victoria Park — Treasurer) [3.31 pm]: I rise to make some comments on this matter of public interest. The motion states —

That this house is deeply concerned that the McGowan government is targeting pensioners, the working poor and the vulnerable through cost-of-living increases to pay for \$5 billion of unfunded election commitments.

“Targeting pensioners”—seriously! That is the motion! Is there any wonder we find ourselves in this scenario with the fiscal position of the state? Is there any wonder? I want to deal with a few issues in my response today. In question time, a strange series of questions were put to the Premier that critiqued the government for moving to tariff reform but then asking why we have not yet opened up full retail contestability. It was as though those two things cannot happen together. As the Leader of the Opposition knows, one is essential for the other. I understood the shadow Treasurer to say that we should not have done this because we are not raising enough revenue. He said the government should have gone harder on the gold and it should have gone harder on the power prices because it is not raising enough! I have said it before: the days are over when the government of the day says a couple of hundred million here and a few hundred million there is not a lot of money. Those days are over. I think a couple of hundred million dollars is a lot of money. I think \$500 million here and \$200 million there all adds up. The shadow Treasurer is of the view that it does not, that it is irrelevant, and unless there is that one tax that raises \$12 billion and impacts on not one person in Western Australia, what is the point? That is the diabolical fiscal argument that the Liberal Party presented to us today.

Interestingly, the member for Warren–Blackwood is now concerned about how the dividend from the Water Corporation is being treated. I note there has been no change. We have not changed the dividend payout ratio from the Water Corporation. We have not changed how it is being used.

Mr D.J. Kelly: Or the price.

Mr B.S. WYATT: Or the price increase path. Nothing changed, but now the opposition has a sudden concern. I am interested to hear its policy response to water, bearing in mind the shadow Treasurer has already said, “You can’t do anything that impacts on anyone but it has to raise enough to wipe out the debt.” I am interested to hear what he has to say about water. I am interested to hear how that plays out.

In respect of the fixed charge, I found this particularly interesting from the Leader of the Opposition. On a number of occasions I have watched the Leader of the Opposition abandon everything he has ever stood for in public life. It has been a sad thing to watch because the Leader of the Opposition will have to have a reputation post this place. He is rapidly setting it aflame. I will quote what the Leader of the Opposition said when he sat on this side of the house, when he was the energy minister standing over here busily doing nothing in the energy policy space. This is the issue around the tariff structure and the fact that we applied all the increase to the fixed component of the Synergy bill—something the Leader of the Opposition was unable to do despite his very keen desire to do it while he was over here and in charge as energy minister.

Dr M.D. Nahan: Did we do it? No. Why not? Because it would hurt the wrong people, full stop. You did it. Take responsibility for it some time.

Mr B.S. WYATT: The man whose reputation is in shreds; I understand his frustration.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition!

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Mr B.S. WYATT: The Leader of the Opposition, when he was the energy minister, said this about the fixed charge. I will quote what the Leader of the Opposition said in an article published in *The West Australian* on 2 December 2015. It stated —

Dr Nahan, who identified the need to reform electricity pricing two years ago only to shelve action this year, said the issue was particularly difficult and complex and there needed to be a proper case made for it.

He said the changes would be “looked at” as part of next year’s Budget, though he declined to say whether that would involve bringing forward specific measures. Asked whether the Government was sending the wrong message to solar panel owners, he stressed the shake-up was not aimed at penalising these customers but ensuring the system was fairer.

He said this was because solar panel owners, along with the biggest power users at peak periods, used the grid the most but paid the least for its upkeep, meaning households which could often not afford installations were left to pick up the tab.

“It’s about fairness,” Dr Nahan said.

Do members know what? The Leader of the Opposition was right. I do not think it is fair anymore when the Western Australian Council of Social Service’s key constituency is subsidising people being able to put solar panels on their roof. I do not think it is fair for WACOSS’s key constituency to be subsidising big power users in big houses anymore. I think it is about fairness, Leader of the Opposition. If you had the guts to do anything about it when you sat on this side of the house, we would not have had to worry about being so dramatic. But you were —

Dr M.D. Nahan interjected.

The SPEAKER: I call you to order for the third time, Leader of the Opposition.

Mr B.S. WYATT: You were woeful as a minister—woeful! As a result we have had to make these decisions.

Mr D.C. Nalder: You are making a personal attack. You lose the argument when you make it personal.

Mr B.S. WYATT: What was personal, member for Bateman?

Mr D.C. Nalder: You do it every time.

Mr B.S. WYATT: What was personal?

Mr D.C. Nalder: You were starting to be derogatory towards the Leader of the Opposition.

The SPEAKER: Members, please. I want to hear this. We listened to you, member for Bateman, in silence. Let me hear the Treasurer.

Mr B.S. WYATT: Member for Bateman, every time you are critiqued for your position, it is not a personal attack. You need to understand this.

Mr D.C. Nalder interjected.

Mr B.S. WYATT: No, no; I did not utter a word during your incomprehensible contribution, so you sit there and listen to what I have to say. Every time you are critiqued, the bottom lip quivers, “This is a personal attack.” You need to get some stomach, some iron will, member for Bateman. I want to say, Leader of the Opposition, because I have not finished with you: you sat over here for years as Minister for Energy and said about that fixed variable charge, “It’s about fairness. I’ve repeatedly indicated and stated that reform in this direction is needed.” What did you do? Not a thing. You know what you did do, though? You increased land tax three times in a row. You did that to self-funded retirees. You thought that was okay. You did that bit. You stopped profitable goldminers paying their fair share, but suddenly now, when we do the —

Mrs L.M. Harvey interjected.

The SPEAKER: Member for Scarborough, I call you to order for the first time.

Mr B.S. WYATT: Then when we do the very thing that the Leader of the Opposition said was fair when he sat on this side of the house, suddenly he is all aghast. The Leader of the Opposition will have to start reflecting on a position to take when he is on this side of the house.

In respect of the freedom of information document that one of the members opposite quoted, of course we saw that. When I announced these power bill increases at a press conference, I said that they will have different impacts on different customers. For example, for a pensioner at home using small amounts of electricity, of course the percentage increase will be higher. Similarly, for a multimillionaire at home in their large estate with expensive solar panels on their roof, or just an ordinary middle-class Western Australian with solar panels on their roof, the increase as a percentage will be large because all those people who cannot afford to put solar panels on their roof are subsidising all those who can. The Leader of the Opposition knows this. As the Leader of the Opposition said, all those Western Australians who consume large amounts of electricity, regardless of solar panels on their roof or not, are not contributing their fair share to the fixed cost of the grid. That is the simple reality. That is why we did

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what the Leader of the Opposition never had the bottle to do, and that was to fix the variable fixed component of our Synergy bills.

The overreach from the opposition on a daily basis is just bizarre. I am surprised it did not ask us all to resign and go to an election, it is aggrieved so much. With its whole idea that we targeted pensioners and that cabinet sat around and we thought to ourselves, “How can we get 'em?”, honestly, what sort of debate standards does the opposition have? The impact on pensioners was a live issue and it continues to worry me. I have said that publicly here, and everywhere I go, that it continues to worry me, which is why we did a couple of things that the Premier outlined today in question time. We increased the annual energy assistance payment by 22 per cent, by \$66. That is very much focused on pensioners, to try to help offset this increase. One of the other things that I have had to do as Treasurer was to fund something that the previous government did not fund: the hardship utility grant scheme. I came in and there was no money for it. There was no money for HUGS and the opposition now has the audacity to complain about HUGS? The rate of HUGS take-up has been dramatic and we will have a better look at that. I note there was some laughter because the Minister for Community Services said that people were becoming more aware of it, and that is an issue. The percentage of people who are repeat users of HUGS is increasing. I need to understand why that is the case and what we as a government can do in policy parameters to stop that. It was never the intent of HUGS to have people come back on a repeat basis, member for Warren–Blackwood. What can we do to stop people requiring to come back? We will fund HUGS, because that is what we will do, unlike the previous government that was very, very reluctant to fund HUGS sustainably.

It is in a strange place indeed that we find ourselves with the opposition, because demanding competition in question time, yet critiquing the government for making the tariff reforms that we need for competition is a bizarre scenario. Unfortunately, I do not get the right to do what the Liberal Party did in government—that is, to ignore these tough issues. As the credit rating agency Standard and Poor's stated in 2015, the previous government did not have the political will to deliver on its budget measures.

Ms J.M. Freeman interjected.

Mr B.S. WYATT: As highlighted by—I thank the member for Mirrabooka—the Productivity Commission just recently, the previous government not only did not have the political will, but also went the easy option. What was that easy option? It was to assume in 2012–13 that the GST would be fixed. Let me tell members that that is an easy assumption to make. I would love to do that in my budget and spend accordingly—no problem whatsoever! That is what the previous government did.

The Leader of the Opposition now has an opportunity, because Standard and Poor's has highlighted again today the importance of the implementation of key budget measures. The Leader of the Opposition's position on things—the role of government, the role of the market and how to stimulate an economy—has changed as he has moved from commentator outside the Parliament, into government and now in opposition. It is up to him to explain to his stakeholders that he has not been able to hold a consistent position for more than an afternoon. The reality is that the government and I have done an important reform of our tariff charge that the Leader of the Opposition did not have the bottle to do. As a result we have targeted significant spend, whether it be through HUGS, financial counsellors—again, cut by the former government—and energy assistance payments, to focus on those pensioners. That is what we have done. If we need to do more, I am sure we will because we all understand that we are in a tough environment and these measures have impacts on households; I am very aware of that. I am also somewhat perplexed by the argument of the shadow Treasurer that we should not have bothered with all this hard work because we are not raising enough revenue. Those days are over. The days of a lazy government not making important policy decisions that can get us to a position in which we might be able to consider the sorts of things that the Leader of the Opposition wanted, such as smart meters—again, something he never did anything about, but we will move down that path—and to enable the sorts of things such as more creative tariff options for Western Australians. Those are the sorts of things he talks about now but never did when he was Minister for Energy. These things are important.

In my final couple of minutes I want to highlight again the audacity of a Leader of the Opposition who will say anything on that day, regardless of the consistency with positions he has held on just the previous day. On 5 July this year, on ABC radio the Leader of the Opposition said —

And some of the things they are doing, ... I support.

...

But restraint in the growth and expenditure, trying to actually reform the public sector, ...

This is the bit I want you to focus on, Mr Speaker. He continues —

... squeezed out the subsidy in electricity so people pay the full cost ... as a financial incentive, to be more efficient in the use of the energy. Those types of things, support fully.

This was not something he wrote in one of his crazy pieces 20 years ago. This is what he said on 5 July 2017. The Leader of the Opposition now comes in here critiquing the government for doing just that. It is time the

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Liberal Party woke up to the principles upon which it supposedly stood for a long time and more personally, in respect of the Leader of the Opposition, started to support the policy changes that we are doing that he never had the bottle or the support of his Premier to do. We are getting it done. Do members know what? Those pensioners upon whom it will have an impact we will continue to look to assist because that is what we do, unlike, for example, the three rounds of land tax increases under the former government—unlike that.

I conclude my short contribution in noting that the opposition is not, and has not fallen from the sky and landed in those seats, without a history. I will remind the opposition of this history every single day and particularly of the hypocritical positions taken by the Leader of the Opposition around important reform and efforts to fix the financial mess that he created, positions he argued not just in government but also a couple of months ago as the Leader of the Opposition. I will continue to do that and at the same time, because we are a Labor government, we will look to protect the most vulnerable, those whom these sorts of decisions hurt the most.

MS S.F. MCGURK (Fremantle — Minister for Child Protection) [3.49 pm]: I am very keen to speak on this matter because it is incredibly galling, given my portfolio responsibilities, to hear the Leader of the Opposition in particular talk about the hardship faced by pensioners and people in financial stress in our community. It is especially galling. As members know, I have responsibility for child protection, the prevention of family violence and community services. In all those areas we are dealing with the most vulnerable members of the community, trying to ensure we provide effective services to deal with some very complex matters. Do we have any spare financial resources to draw upon to try innovative models and to work on early intervention and preventive models, particularly for families under stress? No, we do not. Do we have any spare financial resources to model the possibilities of extending financial assistance for children living in out-of-home care at 18? No, we do not. We do not have any extra financial resources due to the parlous state the opposition left the state's finances in.

Mr Z.R.F. Kirkup interjected.

Ms S.F. MCGURK: I am glad the member for Dawesville finds that amusing. It is very frustrating in my portfolio to have only the budget we have to work with. There is no spare money to provide innovative solutions or to trial different methods in some of these difficult areas because of the state his side left the budget in.

Mr Z.R.F. Kirkup: You're in government now.

Ms S.F. MCGURK: It is absolutely galling. We have done some things; they have been covered today. The other side cut funding for financial counselling in the metropolitan area. In 2015, it cut \$1.8 million. In 2016–17, under the former government's management, \$2.3 million was cut from financial counselling services. This government has reinstated that money so that in 2017–18, \$8.1 million has been allocated to financial counselling. That includes an additional \$2.143 million for metropolitan financial counselling and counselling linked to the hardship utility grant scheme. We have also maintained the regional allocation; that is, \$3.8 million for financial counselling will continue to be provided to rural and remote areas. As has also been indicated by the Premier and the Treasurer today, the annual amount that people can access through HUGS has been increased to \$581 per annum. Those north of the twenty-sixth parallel can access \$962.

I want to make the point about the increase in the number of people accessing HUGS. A significant backlog needed to be worked through. Only in the last two or three months has there been a significant clearing of that backlog and that might account for some of the significant increase in the number of people accessing HUGS. In fact, in those months an extra 12 000 applications have been expedited due to the backlog that needed to be worked through. We are committed to working with the Western Australian Council of Social Service to ensure that money allocated for people in hardship goes to the people who need it most. That is not easy. As the Treasurer has outlined before in this house, we have ensured that people who do not have a Health Care Card now have to go through financial counselling. Those who do have a Health Care Card can go straight to the utilities. But we are committed to working with the Council of Social Service to ensure that we have a sustainable system for those people who need financial counselling and those who need assistance paying their utilities and that that help will be there for them. I was very pleased to be at the launch of WACOSS's pre-budget submission called "At the Heart of Our Community". WACOSS refers in that submission to acknowledging the work this government is doing in supporting financial counselling and the work we will do on a joint basis to ensure that the assistance that is needed is given to those who need it the most. Unfortunately, it is not an open cheque book. We have to be cautious about how we give that assistance and we are working with the utility providers as well as the service sector itself to ensure that money goes where it is needed most.

MR T.J. HEALY (Southern River) [3.54 pm]: I rise to speak against the motion put by the Leader of the Opposition. I note the language in the motion, "That this house is deeply concerned". Yes; we are concerned; the people of Southern River are concerned at this opposition. In question time today, the Premier spoke about the worst set of books in a generation. I reiterate the Premier's comments. It is a bit rich that the member for Carine can come in here and say that he is now concerned about pensioners, about the vulnerable and about the working poor. How disgusting and how disappointing. The Liberal Party in this chamber is full of people who do not care.

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We on this side of the chamber—it is a very large side of the chamber in terms of angles—were elected to fix this mess. This is the prominent point; the important part—a \$3 billion deficit and a \$42 billion net debt. The financial incompetence of the former government is astounding. The member for Cottesloe has said that the gold industry was getting away with murder. One of the items that would have assisted the budget greatly was our proposed gold royalty increase. That is something members opposite voted down. They have come in here and said that they are concerned about working people and the poor people of Southern River whose power prices and other costs have increased, yet they are budget wreckers. Members opposite sit there smugly, talking about how they care and how they are the ones to fix this mess. They are not. Only the people on this side of the chamber have any ability to restore the budget to the level it needs to be, and we are making the right choices.

I refer to the Treasurer's comments earlier: the greatest risk to the pensioners and working poor is the Liberal Party if its members continue to vote down our measures and be budget wreckers. They are the ones who will continue to ruin this economy. The fact is they did not have the political will to make hard decisions when in government and they continue to cause chaos.

Mr C.J. Barnett: You're a lightweight.

Mr T.J. HEALY: I am a lightweight? Thank you. I will take that as a compliment. I am a fairly large man, member for Cottesloe, I will take that I am a lightweight. I appreciate that.

The member for Cottesloe's time as Premier—members on his side have moved a motion that says that an increase in fees and charges is not fair. Is that correct?

Several members interjected.

Mr T.J. HEALY: He is saying that an increase in fees and charges hurts communities. Why did he increase land tax three times in a row? He increased payroll tax; fees and charges went to record levels. They lost control of the state's finances.

Mr Z.R.F. Kirkup interjected.

Mr T.J. HEALY: Do not bring Beryl the pensioner into this.

Several members interjected.

The SPEAKER: Members! We heard people from this side of the house talking and there were no interjections. I want to hear the member for Southern River.

Mr T.J. HEALY: Members opposite left Western Australia with record unemployment levels. Shame! The measures that we have put forward in this budget are fair and reasonable. It is a budget for the times. This budget and all of our measures here are to fix the mess of members opposite—a stain on the Western Australian economy and a stain on the political community.

Mrs L.M. Harvey interjected.

The SPEAKER: Member for Scarborough, I call you to order for the second time. Members, you might not like what he is saying but he listened very intently when you were on your feet. Now listen to him. If you keep interjecting, I will call to you order.

Mr T.J. HEALY: I will wrap up by simply saying that this motion is a disgrace. I appreciate that it is important for the opposition to raise matters of public interest, but it is a disgrace that they can stand here and say things while looking honest about it. They are fantastic politicians to say these things while knowing the truth behind them. The community knows that the greatest risk to my community of Southern River is the rabble on the opposition benches who keep trying to bring a wrecking ball to the Western Australian economy. I speak against the motion.

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [3.59 pm]: I rise in support of this matter of public interest. It has been very interesting to hear the contributions of those opposite, especially in the context of what they said when they sat on this side of the chamber. During our eight years of government, every time there was any kind of fee increase, we endured criticism from those opposite—criticism to the tune of, and I quote the now Premier in 2014 —

“When people have to pay more and more, way above the inflation rate, and when the Premier breaks his electricity promises, it is a Budget that is hurting the people who can least afford it,” he said.

That is what Hon Mark McGowan said when we increased electricity prices back in 2014. Suddenly, in 2017, when he is in charge and increases the fixed charges for electricity, which hurt the most vulnerable in the community the most, it is a different argument. The argument is that this is all about budget repair. That is the second-biggest fallacy. There is no budget repair. The government has increased spending by \$584 million, increased the deficit and increased net debt across the forecasts. No budget repair is in sight and we hold very slim

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hopes of any budget repair being effected by this Labor government. We know that it has \$5 billion worth of unfunded election commitments it has to find revenue to fund and it is taking that money out of Western Australian households. My colleagues have spoken at length about the electricity increases. On 7 March, just five days before the election, the Premier's media release stated —

At the beginning of the final week of the State election campaign, Mr McGowan said Western Australians could not afford to see their power bills go up even further.

That was his commitment and what he said to the community. That is how every member on that side of the house got elected and won government. It is interesting. This is from a media release put out by Mark McGowan: "A comment from WA Labor leader Mark McGowan". It states —

A McGowan Labor government will stop the privatisation of Western Power. That's an iron-clad guarantee.

I think we need to find out which of the Premier's commitments is an iron-clad guarantee. It appears that they are the ones that the government will keep. The half a dozen or so other commitments that it has broken with the delivery of this first budget were apparently not iron-clad guarantees. Nobody in the community can expect the government to stick to its word and deliver what it said it would to Western Australians. Labor said it was going to deliver a comprehensive plan to pay for its promises to help put the state budget back on a sustainable footing. We said that the pathway to budget repair was not enough. Guess what? It is not enough and households are paying.

I will talk about public transport in particular, because public transport fares have gone up under this government. The representation of what the public transport fare increases will mean for householders in Western Australia has been very sleazy and quite mischievous. The modelling in budget paper No 3 shows an increase for the average household—the average family—for a year of \$132.60. If we look at the increases, how they will work in the zones where people live, and factor in that a lot of public transport users pay for parking every day, we see that the increase is substantially more than \$132.60 per household. Zone 2 includes the constituencies of Balcatta, Kingsley, Midland and Mirrabooka. The increase per household in that zone is probably more in the region of \$205.60. Zone 3 includes Gosnells, Jandakot, Joondalup, Ellenbrook and Kalamunda. The increase that those households can expect to pay is \$224.80 a year. That is significantly more than the \$132.60 shown in the budget papers. The member for Mandurah is going to be copping it in the neck. The increase that families in Mandurah, in zone 7, will be paying per year is \$392.80. That is three times the amount that is shown as the average household modelling in the budget papers. Apparently, households in Mandurah are not average and they will not be average after the efforts of this government because they will pay through the nose for public transport.

Let us look at the hypocrisy of this government. We know about the ministerial double dipping for travel allowances. It is very interesting to link this to transport. The member for West Swan's ministerial double dip could fund the transport increases for 24 households in her electorate. The member for Fremantle's ministerial car allowance double dip would fund 26 households. If we use the government's own modelling from budget paper No 3, the \$48 000 or so of ministerial double dips could fund transport increases for 362 families. That is the difference between what this government says and what this government does. Apparently, everybody has to do the heavy lifting except the ministers who got overpaid. They do not have to do the heavy lifting. It has to be the constituents in Mandurah who will pay \$392.80 extra a year to use the public transport system. What about those constituents out in Rockingham, Warnbro and Butler? They will pay \$296.80 extra a year in public transport costs. That assumes that they have only two children. Of course, sometimes families have more than that and it will cost them more.

The other interesting conundrum that this government will have to come to terms with is that if it asks Treasury for modelling on what impacts consumers' decisions to use public transport or not, it will hear that it is the price of the public transport fare. If prices go up, patronage goes down. The modelling is really clear. If these fare increases continue, we will see billions of dollars of infrastructure commitments in the name of Metronet, declining patronage numbers because of the fare increase and greater subsidisation from consolidated revenue to keep trains running on the railway tracks. The government will have that problem. It says it has a big commitment to public transport, but by putting the fares up, patronage will decrease and subsidisation will increase. Consumers will start to feel the pain as all these costs add up. It would be interesting to look at the average household modelling in every other area of this budget. The public transport modelling is very far out. It is out to the tune of three times the impact for a family in Mandurah as opposed to the impact represented in the budget. That is why this MPI is before the house today. The Premier promised that he would not do this. Members on that side of the house were elected on the basis of no fare increases and no new taxes. The government has broken its promises.

MS R. SAFFIOTI (West Swan — Minister for Transport) [4.07 pm]: The Premier said that the opposition should be coached on how to ask questions. It needs to be coached on sincerity too. For members of the opposition to stand up and say that they care about public transport and pensioners is like me going to a derby and saying, "Go Eagles!" It is just not believable! The opposition's performance today has been incredibly poor and displayed

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fake sincerity. It hit self-funded retirees with massive increases in land tax and increased electricity prices again and again. It basically hit everybody in WA. The former government inherited \$3.6 billion of debt and went on a rampage on Western Australian families. We inherited over \$30 billion of net debt. The opposition has no excuse for what it did to Western Australian families and they do not accept it. The Deputy Leader of the National Party wants to rip up rail lines throughout the metropolitan area. He wants to rip them up! The opposition ripped up the tier 3 rail lines when it was in government but we will not rip up rail lines. The member for Scarborough talked about the price paid for —

Mr D.T. Redman interjected.

The ACTING SPEAKER: Members!

Point of Order

Mr W.J. JOHNSTON: The member for Warren–Blackwood well knows that he should not be interjecting.

The ACTING SPEAKER (Ms S.E. Winton): That is not a point of order.

Debate Resumed

Ms R. SAFFIOTI: The member for Scarborough said that she is worried about the public transport fares paid by Ellenbrook residents but she was not going to build the rail line to Ellenbrook.

Point of Order

Mr S.K. L'ESTRANGE: Madam Acting Speaker, the member for Cannington had a point of order. I did not hear you rule on that point of order.

The ACTING SPEAKER: It was not a point of order.

Debate Resumed

Ms R. SAFFIOTI: So the member for Scarborough is concerned about the public transport fares paid by residents of Ellenbrook and members opposite do not want to build the rail line to Ellenbrook. The Leader of the National Party is trying to create envy in relation to Metronet.

Several members interjected.

Ms R. SAFFIOTI: As a member of cabinet, how much did the member borrow for the Forrestfield rail line? The member would not know. The member sat in cabinet and borrowed more than \$1 billion for the Forrestfield rail line and would not know. The former government left the place in a mess.

Honestly, that was one of the worst performances. It was like listening to my great aunty telling a story about being back in Calabria—it went nowhere! As a result, we have another matter of public interest in which the opposition has failed to make a case. All it has demonstrated is how incompetent it is as an opposition and that it cannot string a theme or a story together for 30 minutes, let alone two hours in an MPI. It has no consistency and absolutely no capacity for reflection on how bad it is.

Division

Question put and a division taken, the Acting Speaker (Ms S.E. Winton) casting her vote with the noes, with the following result —

Ayes (15)

Mr C.J. Barnett
Mr I.C. Blayney
Mr V.A. Catania
Mrs L.M. Harvey

Mr Z.R.F. Kirkup
Mr S.K. L'Estrange
Mr R.S. Love
Mr W.R. Marmion

Mr J.E. McGrath
Dr M.D. Nahan
Mr D.C. Nalder
Mr K. O'Donnell

Mr D.T. Redman
Mr P.J. Rundle
Mr A. Krsticevic (*Teller*)

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Noes (37)

Mrs R.M.J. Clarke
Mr R.H. Cook
Ms J. Farrer
Mr M.J. Folkard
Ms J.M. Freeman
Ms E. Hamilton
Mr T.J. Healy
Mr M. Hughes
Mr W.J. Johnston
Mr D.J. Kelly

Mr F.M. Logan
Mr M. McGowan
Ms S.F. McGurk
Mr K.J.J. Michel
Mr S.A. Millman
Mr Y. Mubarakai
Mr M.P. Murray
Mrs L.M. O'Malley
Mr P. Papalia
Mr S.J. Price

Mr D.T. Punch
Mr J.R. Quigley
Ms M.M. Quirk
Mrs M.H. Roberts
Ms C.M. Rowe
Ms R. Saffioti
Ms A. Sanderson
Ms J.J. Shaw
Mrs J.M.C. Stojkovski
Mr C.J. Tallentire

Mr D.A. Templeman
Mr P.C. Tinley
Mr B. Urban
Mr R.R. Whitby
Ms S.E. Winton
Mr B.S. Wyatt
Mr D.R. Michael (*Teller*)

Pairs

Ms M.J. Davies
Ms L. Mettam
Mr P. Katsambanis

Ms L.L. Baker
Dr A.D. Buti
Mr J.N. Carey

Question thus negatived.