

**WESTERN AUSTRALIAN FUTURE FUND BILL 2012**

*Second Reading*

Resumed from an earlier stage of the sitting.

**MR C.J. TALLENTIRE (Gosnells)** [8.00 pm]: Before the dinner break, I was expressing my fear that this future fund may put the state's finances in such a position that we will be looking for other means to finance the major infrastructure projects so needed in our state. I expressed the fear that one mechanism for financing our major projects is the public-private partnership arrangement, and that that may, in the future, become the default means by which we finance major projects. I outlined how, based on international experience, we have to accept that sometimes that is not the best way to proceed with financing a major piece of infrastructure. There are times when it can work, but there are many times when it turns out to be the most costly way of raising finance. I do not think we should be contemplating the systemic use of a financing mechanism that can turn out to be so costly.

I mentioned that in the United Kingdom, where this mechanism has been used extensively, they have had the opportunity to look at their experience and analyse various cases, and they have found that it has cost them an absolute fortune. I mentioned the bill that the National Health Service incurred because of the use of private financing initiatives. I want to say a little more about this and refer again to a House of Commons report put out by the Committee of Public Accounts. This report was released on 1 September 2011—so just over 12 months ago; it is very current. The conclusions and recommendations mentioned that —

Although PFI has delivered many new public buildings and services, it has been far too easy for the Government to use it as the only form of financing available without clearly proving whether it is value for money.

That is my real concern. It also said that there is a loss of tax revenue. The report reads —

Tax revenue is being lost through the use of off-shore arrangements by PFI investors and the effect has not been adequately assessed.

In other words, the UK has companies investing in this area and making huge profits, but they have managed to have their own structure such that they are no longer domiciled in the United Kingdom and the tax they would normally have to pay goes offshore too. The further point is made —

The public sector has insufficient information on the returns made by PFI investors and no mechanism for sharing in gains when the investors sell their shares.

Here we see the House of Commons committee contemplating that it has some very powerful players—some very big organisations—that are very adept at negotiating a PFI to their full advantage and making huge profits themselves, but that is not in the interest of taxpayers. The report also talks about the transparency of costs. This report is very useful and very current.

I want to conclude on this issue of the United Kingdom experience and refer to a paper titled: “Do PPPs in Social Infrastructure Enhance the Public Interest?” by Hellowell and Pollock.

[Member's time extended.]

**Mr C.J. TALLENTIRE:** The authors outline —

PFI is a policy that is driven by a questionable politico-economic rationale.

This future fund could be forcing us into that questionable politico-economic rationale. They go on —

It is associated with reduced capacity of England's healthcare system. In other words, it has reduced the provision of this merit good, harming the public interest. Of course, how PFI, or variants of it, will impact on other health and social systems depends to a large extent on how money moves around those systems, and in particular how those systems provide funding for capital costs. But it is clear that the high costs of PFI have the potential at least to impact on health systems in very material ways. In England, in 2005–06, some £50 million was provided to trusts with PFI schemes in order to help them meet their costs. Those efforts proved insufficient. In light of this, an evidence based economic justification for the policy appears overdue.

So there we have the summary of my concerns when it comes to PFIs in the UK.

Back in Australia now, the Victorian Auditor General, Mr Des Pearson—a former WA Auditor General—also looked at the use of a public-private partnership for the Royal Children's Hospital in Victoria. He also expressed

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a few points of concern. In his recommendations, he outlines that the Department of Treasury and Finance should —

... amend its guidance to require that agencies implementing *Partnerships Victoria* projects:

- conduct and document quality assurance reviews of PSC estimates and related financial models —

I talked earlier about the dangers and difficulties in formulating an accurate and reliable public sector comparator. It continues —

irrespective of whether they are internally or externally prepared—to reduce risks of error or inaccuracy, and to ensure that the state has sufficient understanding of these highly complex financial models

- maintain adequate documented evidence to support all costings and PSC calculations contained in a business case.

This issue of public sector comparators is absolutely critical to the reliable testing of a PPP model.

When contemplating the issue of future funds, I looked around the world and came across the Qatar Foundation. I was always very impressed that FC Barcelona, the Catalan football team from Spain, had on its shirt for many years “Unicef”; I thought what a remarkable difference. Often our AFL clubs have insurance company, beverage company, fast-food company or oil and gas company names on their shirts, but for years Barcelona was a supporter of Unicef. I thought that was remarkable. I was concerned when I saw that Barcelona now has “Qatar Foundation” on its shirt. But I have investigated that and I am reassured that that future fund’s endeavours—if we can call that foundation a form of future fund—are very much around the pursuit of education, science and research, and community development. We can learn from that as well: when we create a future fund, we must have very strict rules on how that fund can be spent and what its endeavours should be. I hear how the Qatar Foundation is all about “unlocking human potential”; that could just be a slogan, but there are signs that it is a very genuine endeavour and that some very worthwhile work is underway.

Indeed, the Middle East provides us with other examples of how countries that have had incredible revenue from oil are going about using that revenue to invest in their future. We are all familiar with the airlines that come from the Middle East. These countries are also turning things around completely. In Abu Dhabi, there is the new city of Masdar. It is a sustainable city. We could draw an interesting comparison. We could compare the incredible wealth that goes out of our Pilbara region with the incredible wealth that goes out of Abu Dhabi and ask, “Why, then, are we not creating a city as technologically advanced and as embracing of all that is the latest in renewable energy technologies and other sustainability technologies as is the city of Masdar in Abu Dhabi?” It is a very interesting way in which that nation is looking at investing its current incredible wealth. That, too, gives us another example of how we could proceed. However, my real concern here in Western Australia is that we will be using a wrong-headed priority system. We will be putting money into this future fund while we could be using funds to directly address problems that we have today. That is my basic concern.

A future fund needs to define very clearly what its uses will be for. I suppose the fact that some of the nest egg, the seed money for this—\$820 million of it—comes from iron ore fines almost gets us a little towards the situation that we are thinking of when it comes to those foundations that are Middle East based, but we could be doing so much more. With our population growth, our situation and urgent needs are different from those of the Middle East. We need to be investing in schools, hospitals and the police service, which are the day-to-day needs of our constituents. To bring this back to the Gosnells electorate, I think there would be great frustration amongst my constituents if they were to hear, “Oh, sorry; we can’t fix that roundabout”, or, “We can’t extend the train line. We can’t do something about the derelict buildings across from the Gosnells train station because we don’t have enough money”, and then I say to them, “Well, actually, there’s \$820 million, plus another \$280 million going into the future fund, but, sorry, we can’t access that at the moment. We can’t address today’s problems. We’ll put that money into a fund, so perhaps we can address those very problems in 20 years.” People would be incredibly frustrated and incredibly disappointed if I had to explain that.

The needs of today have to be met first and foremost. We should be investing in areas such as Gosnells. I know that it is very disappointing for people in my electorate. With each budget that comes around, the City of Gosnells does analysis to see how much of the budget is being spent in the City of Gosnells. Each time we shake our heads and are just appalled that there is almost nothing there for us. There is nothing specific; there is no really important project. People compare it with the Gallop and Carpenter government years when we had new train stations and important road linkages such as the Kenwick Link, or we had developments around Roe Highway. Some important developments occurred then, but these days the best we get in the City of Gosnells—not in the electorate of Gosnells but in the City of Gosnells—is substantial investment in prisons. I know that when the Premier has told the Mayor of the City of Gosnells that substantial money has been put into the City of

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Gosnells, and it turns out that nearly all of that is going into the prison, people in the City of Gosnells are very disappointed. They do not like to feel that they are being brushed off and that investment is simply consigned to investment in the prison. As worthy as that may be, they want to feel that there is genuine investment in the City of Gosnells, not just in the prisons in the City of Gosnells. People want to see work done today. They want that and they have every right to expect it.

We know also about the difficulties that we have in getting some very basic things, such as electronic flashing school zone signs on busy roads. They cost only \$40 000, but —

**Dr K.D. Hames** interjected.

**Mr C.J. TALLENTIRE:** That is a good point, minister. The fact is that the unit cost for the delivery of those flashing school zone signs has come down dramatically. If we try to compare the current price with the price four or five years ago is, there is no comparison. They are much, much cheaper now, so they are much more affordable. At \$40 000, it would be very easy to install them. Yes, I know that the government's intent is to eventually roll them out to all schools. That is good, but the problem is the rollout and the lack of a prioritisation program for the rollout. In my electorate, schools such as Yale Primary School and Ashburton Drive Primary School desperately need them right now on busy roads in dangerous areas. Yale Road is very busy and kids are at risk until we get these signs. That is terrible. People want money to be spent now on their needs. Putting money into a future fund will lead only to frustration and disappointment. People will complain about that, and they will not understand what we are doing. We need to make sure that we meet today's needs today and, yes, have nice ideas about future funds, but make sure that people can understand what the process is and feel that it is one that they are fully supportive of and that it is not just some bit crammed in at the end of the Treasurer's speech.

Yes, we do note that the Treasurer who presented that budget has moved on from that position. I do not know whether he found that he did not have confidence in that part of the budget. It is a question that we have to ask.

**Dr K.D. Hames:** How can you support putting away money for superannuation on the one hand, but a future fund —

**Mr C.J. TALLENTIRE:** Money is put away for superannuation so that an actual liability can be met.

**Dr K.D. Hames:** It's the same concept.

**Mr C.J. TALLENTIRE:** There is a huge difference. Superannuation is a liability. That cost has to be met down the track. If money is not put aside, there will be problems. There is a huge difference; there is no comparison at all. I think the minister is trying to make a comparison with the federal government's Future Fund. The minister just does not understand how that works if he is asking me that question. It is for a very different purpose.

The whole idea around future funds needs to be questioned and interrogated. I think we will have a very hard time convincing people in electorates such as mine about the value of this Western Australian Future Fund proposed by the Barnett government. I conclude my speech.

**MR J.C. KOBELKE (Balcatta)** [8.17 pm]: A sovereign wealth fund is quite a good idea, but it has to be tested against the reality to know whether it will work in a specific case. In a situation in which there is spiralling debt, borrowing money to put into a sovereign wealth fund or a future fund is really fraught with difficulty and does not necessarily stack up at all. The examples used are in countries at a given time when their revenue is clearly in excess of their expenditure. Therefore, they have the option of increasing their expenditure in a whole range of ways. It might be in political handouts or it might be in building infrastructure for the long-term benefit of the economy, or it could be put into a future fund. But in a circumstance in which there is huge and spiralling debt, it is very difficult to make the case for the benefits of a future fund. The situation really is to look at net debt. If the government has very high net debt and it is going to borrow more money to put into a future fund, it basically balances out, because the net debt does not change. The government is borrowing more, but it has savings, so its net debt does not change. However, we are in a situation in which our net debt, as I have already indicated, is really just spiralling out of control. Back on 30 June 2008, the state's net debt was \$3 634 million. We have seen that in the current budget that amount will rise to \$18 902 million—that is, an increase of more than five times the debt that was there when this government came to office. The government projects that when we get to 2015–16, which is in the out years in its forward estimates, it will be nearly \$23 billion; that is a sixfold increase in the state's net debt. It has played with the numbers to try to make it look like it will come down in the last year but that is totally false. It has said that Oakajee is going to happen but it took the money out of the budget. It made a shift with the Public Transport Authority to take the money off the books. A whole lot of revenues were put in for various things that are totally fictitious. This Premier has always said that he does not believe in the out years of the forward estimates.

The reality is that there is no control of expenditure and there is spiralling debt. When we have a situation like that, what benefit can be had from a future fund? We will have to borrow extra money to put aside because this

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government has had its recurrent expenditure increased by over 50 per cent from June 2008 through to the end of the current financial year. We have seen an increase of more than 50 per cent in recurrent expenditure. The government's expenditure has grown far more than its income and it has made all these other promises, such as MAX, the light rail project, which it says will cost a billion or two but it does not know, and a major stadium, which will cost a billion or two but it does not know. As I have already said, Oakajee will cost upwards of \$400 million but it is not in the budget. This government is about spend, spend, spend, some of it to good effect. It is not controlled and it is not prioritised. We have a situation in which it is saying, "We're going to look to the future by putting in place a future fund." The former Premier, the member for Bateman, put on the record in this house in question time on 22 May where this idea came from.

**Dr A.D. Buti:** He was never the Premier. He was the Treasurer.

**Mr J.C. KOBELKE:** He was telling us where the idea came from. It might have come from the Premier. The member for Bateman said the government was approached by Gresham Investment House. The member for Bateman was contacted via email, with the introduction "Hi Christian". Someone from Gresham suggested to the then Treasurer, the member for Bateman, that the government should look at a state sovereign wealth fund. I will give one little quote from that email that was read into the record by the member for Bateman. It states —

There is the chance for national thought leadership here which might be attractive. Also, I know you are being lined up for a debate on the State debt and an SSWF —

That is, a state sovereign wealth fund —

if it made sense might re-orient the debate a little.

Let us shift the argument. Debt is a huge issue. The opposition is getting onto it and the public is starting to get onto it. They know that the government has lost control of expenditure and debt is spiralling. Let us create a smokescreen! Let us talk about a future fund! The email to the member for Bateman further states —

... I will start putting together a pitch.

Do we need any more proof that this is all about spin—a smokescreen to hide the fact that this government is running this state into debt and putting us in a situation in which we could possibly lose our AAA credit rating? That is what is happening under this government. It is losing control of the budget.

What does a future fund mean when the state has debt spiralling out of control? We have to use our borrowings to set up a special bank account. The government is saying that there will be so much coming from royalties for regions and so much allocated out of royalties and that \$1 billion will be put aside that starts to grow the future fund, but the money is not coming from there. The money that is available is a whole pool made up of revenue and a lot of debt. If the government says it is taking it from royalties for regions or the direct royalties, it is taking it from debt because it has increasing debt—it is going up and up and up. The money that is going into the supposed future fund is money that is borrowed. It is like borrowing on a credit card to put it in a bank account. It is simplistic but we all know that the interest rate on our credit cards is much higher than what we get on our savings account, even if it is a term deposit. We get the best possible investment in a term deposit bank account. We do not get the same interest we pay on our bankcard. That is what this government is setting up. If we want to get a higher rate of return on our investment, as some members have already said in this debate, we have to go to areas that carry a greater risk. If we want a higher return on our investment, we accept the higher risk.

We should look at the local government authorities around Western Australia. They lost tens of millions of dollars putting them in so-called AAA investments from Lehman banks and the others. They bought the fact that they were supposed to be getting AAA-rated investments. They lost it. It went down the drain. They got the higher interest rate and then lost all their investment. The government says it will be really cautious. It is not really going to get a high interest rate; it is just going to get a slightly better interest rate because it will not take too big a risk. Either this government wants to play roulette with the money of the Western Australian taxpayers or it is setting up a fund that will lose money. It cannot have it both ways. It will get extra interest if it takes the risk. If it does not take the risk, it will get a much lower interest rate. This was put to the member for Bateman when he was the Treasurer. It was first put to him in the estimates committee. He was told that if he was borrowing on his credit card to put it in his bank account, he would end up worse off. I will give a couple of quotes of the member for Bateman from 30 May 2012. He said —

It seems likely that at various points in time over a 20-year period for an instrument such as the future fund, there will be a gulf between the interest received from the investments in the future fund and the interest that is paid on whatever debt might be borne by the state at the time. I certainly accept that that is the case.

A bit later, when the member for Victoria Park put a question to him, he replied —

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I would be happy to acknowledge, as I properly should, that, generally speaking, over a long period more will be paid on debt than will be paid on invested moneys in the type of conservative investment portfolio that we are talking about here.

Again, further on, the member for Bateman said —

But I accept the fundamental point that the member is making; that is, between paying off debt to the tune of \$1.1 billion and investing \$1.1 billion, will there be a differential over 20 years and thereby a loss of some quantum between the interest being earned on the investment and the interest being paid on debt? I think the answer is that, yes, there likely will be.

The then Treasurer acknowledged to the member for Victoria Park, the shadow Treasurer, that over time if we borrow from and invest in the same sector of the market, we lose.

I then went and looked at the WA Treasury fund. The report for the year 2011–12 was not available. I am not sure whether it is available yet; I must chase it up. In 2010–11 it showed the average annual interest rates for both government investment and government borrowings. If the \$4.5 billion round figure was there towards the end of the 20-year period, we would have lost \$25 million in a year. That was the differential between the interest rate on what we borrowed and what we invested. If it was the year before, 2009–10, the loss would not have been \$25 million; the loss would have been \$35 million. This is in the WA Treasury fund's own annual reports. It does not stack up. What was the Treasury Corporation asked to do? It was asked to put together a paper to try to justify wasting money—losing money. I have a copy of “Future Fund Investment Framework” by the Department of Treasury that was put out by the Western Australian Treasury Corporation. It defines the types of investments, how the funds will work, five-year rolling averages and all that sort of stuff. I just want to read a couple of quotes that are a little technical but go to show that even the government's own report is not very convincing. The document states —

The longer weighted average maturity in the SAA —

Strategic asset allocation —

than in the WATC marginal CoF —

Cost of funds —

(4.3 years versus 3.575 years) can be expected to be a source of yield enhancement (in a positively sloped yield curve environment). Additional yield enhancement can be expected from taking some credit risk since the WATC has a higher credit rating than the average of the SAA.

Let us go back. If we have a “positively sloped yield curve environment”; if things are going the right way in terms of interest rates and inflation rates, if we still have the AAA credit rating, and if other places around Australia have a lower credit rating, then we might scrape in; we might get there.

I quote the next bit —

Analysis by WATC of historical data from the period 2004 to 2012 indicates that the return to the SAA would have exceeded the WATC marginal Cost of Funds by a small margin (around 5 basis points — 0.05% p.a.) over the period.

So the WATC is saying there that it took the best possible time it could—the boom period in Western Australia; 2004 to 2012, when there was very little glitch from the global financial crisis—a time when the state had gone incredibly well. It did not do it over a longer period; it was very selective because it knew it had to get a positive outcome. What did it get? It got 0.05 per cent—five basis points. Five basis points on just \$1 billion is \$500 000. The Treasurer said that to run the fund would cost \$6 million a year. What sort of investment involves spending \$6 million a year to set it up to make a possible profit, if everything goes well, of \$500 000? This is the Treasury's own document.

It goes on to state —

A fund with the above SAA—

Strategic asset allocation —

could expect to occasionally experience negative returns in market-to-market terms. Although measurements of investment returns over rolling 5-year periods will reduce the likelihood of measured negative returns, the possibility cannot be ruled out, even though it is envisaged that most of the funds invested will be held to maturity.

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That is, if everything keeps going well—interest rates, the rate of inflation, the rating of WA because our economy is booming—and if we hold on long enough, things will turn around and we will not lose too much money.

But there are also problems because it is talking about the fact that the money cannot be put into the market as quickly and there are lags, so the cash lag means the full interest rate on the money for the time is not obtained. It is interesting that when we go over to page 12 there is another thing I want to quote. It states —

It is proposed that, in cases where cash drag causes the portfolio to underperform, the SAA benchmark, this should be taken into account for the purposes of performance measurement.

So, it is saying that because it is not going to get the full amount of money, the measurement will be rigged. The measurement will be rigged to get a better result, because the best possible result when the whole analysis is really biased is five basis points. It knows there are a whole lot of other things under there that could undermine that, so it has actually put a criteria in the way it is to be assessed so that it can be bolstered up a bit when it sees that it is not actually getting the return because it did not get the investment in quickly enough, and therefore it is not getting the full time on the investment—this is the cash lag it talks about.

When Treasury's own report can only say, "In the best possible environment we might clear five basis points a year", there is a bit of a problem with guaranteeing any return. As I already indicated, this is predicated on rates of inflation, the interest rates, and the state's AAA credit rating staying the same.

[Member's time extended.]

**Mr J.C. KOBELKE:** Treasury is thinking that Queensland has lost its credit rating—it has dropped—and because we have AAA, we can actually borrow at a cheaper rate than Queensland, and then we can to lend Queensland and pay a higher interest rate and we will pick up the differential. I said to Treasury, "Why don't we do this for \$20 billion; go out and borrow \$20 billion and invest it with Queensland? We can borrow it internationally because we are AAA." Treasury said, "Queensland wouldn't want to borrow that much; they don't need to borrow that much"! Queensland might get its act together in three or four years—coal prices might rise; tourism might come back up; the economy picks up—and go back to AAA, and if this government is re-elected we could lose our AAA because it has no control, and then we are totally stuffed because we would have a lower rating than the other Australian states we would want to hedge off. This is so predicated on everything going the right way, it expects there will be a utopian view of the world in which the world owes us a living and we will have everything running our way, and therefore we can pick up money with this fancy investing without taking a higher risk. We can always do the fancy investing with a higher risk like local governments did, and run the risk of losing the lot. The state government wants to be a bit more precautionary than that, so it is only going to invest in state-based securities for 80 per cent, and about 20 per cent with high-grade securities from our four banks, which have very high ratings. So if the government keeps it at that level its own report indicates that the little it will make will not even cover the cost of running the scheme. The former Treasurer, the member for Bateman, has said on two separate occasions in this house that he expected it to be about \$6 million a year. He might have been guessing the figure, but on two occasions in *Hansard* he said \$6 million was the anticipated cost of running this future fund.

Let us say that, like the Premier, we believe in Father Christmas and everything is going to be good, someone is going to give us a lot of money—the iron ore companies or the oil companies are going to give us a whole lot of money—and we are going to get rid of the debt, so that we would actually be in a situation of seriously considering a sovereign wealth fund or future fund because we have no debt and good revenue is coming in, and that money is put away for 20 years. Using the government's figures, by the 2032–33 there will actually be this \$4.5 billion to \$4.7 billion in the future fund, and it will be earning \$230 million, which will be spent. The actual fund will not be spent, but the \$230 million of interest will be used. The Treasury people are saying that \$230 million is only worth \$130 million in today's dollars. So the government has locked away, over 20 years, an amount that gets to \$4.5 billion or so and has not had the use of it, but then in today's dollars it will have \$130 million to spend. What is it going to buy with \$130 million? Where is the confidence in Western Australia?

The Chamber of Commerce and Industry of Western Australia takes issue with the government because the CCI believes that improving our transport systems and investing in infrastructure that improves the efficiency of our economy provides a much higher rate of return; our economy will grow and there will be more taxation out of it. The government will actually get a lot more money into the state's coffers by having a more productive and efficient economy. There is an opportunity cost, because the government has locked all this money away to get, in today's dollars, \$130 million a year to build a new road, a new bridge or a new railway. If we actually look at the cost of running it—of course, this is not accounting for changes over the years—and we take the \$6 million

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that the former Treasurer said and multiply it by 20, then over that time \$120 million will be spent managing the fund to get \$130 million a year out of it.

What about the actual asset the government will have? The \$4.7 billion in net present value will be worth \$2.6 billion in today's dollars. The government will forgo all the bridges, railways, roads and ports we could build to grow the state and make our economy even better and stronger and produce more revenue for something that will be whittled away in real value over the 20 years the fund will be locked away. If the government were serious about a future fund and thought it was of some value, it would have presented to this Parliament a detailed economic analysis of the opportunity cost of locking away the money. We could have had a list of projects such as the Esperance port, where they can get iron ore out, the Oakajee port, and improved public infrastructure and transport in Perth. Companies are now saying that our productivity has dropped and we are less efficient because our service vehicles and workers are stuck in traffic jams. The whole state productivity would increase if the government picked the right projects. Where is this government's analysis to say that if we put \$1 billion into fixing up transport in the City of Perth, this is the expected return on that investment and this is how that would compare to locking that \$1 billion away for 20 years and waiting to get the little interest that might come from it? This is all predicated on the basis that we do not have debt. Even if we had no debt, we would still want to see a robust economic analysis of whether, in a growing state such as Western Australia, putting money into key infrastructure to improve productivity and to grow the economy is a better or worse option than sitting the money in a bank account, assuming we had the money to start with, which we do not. Where is the analysis? The government has not done that. There is no analysis.

What is the reality of this bill and a future fund that it seeks to create? The reality, as I think the government's figures have shown, is that it will not be an earner; it will not make money for us. Will it lose money? I suggest it will lose a little bit on management, but not really. What will any government do if this bill is passed and a fund put in place? Whether it is a Liberal or Labor government, the government will do a paper shuffle; it will say, "We have \$25 billion in debt; we have \$4 billion or \$5 billion in the future fund, so we will get the future fund to buy state debt and pay the interest we would pay in the market. If we are paying five per cent interest in the market on our \$20 billion, we simply buy \$5 billion worth of bonds from the future fund at the same percentage—no loss and no gain. That is what any government will do. A government will not invest its money at a lower rate of return than it is paying on its debt. Even this Premier is not as stupid as that. He will not do that, so we will end up with a paper shuffle. I put this to Treasury officials in the briefing and they said, "Yes, you can do that; you can buy your own paper." All the government has to do is pay a few people to run the account, to do an annual audit and do the reports. It will not be too expensive; it can just buy its own debt. That will be the result of the actual running of the future fund according to these provisions.

Why is the government doing it? I think there are a mixture of reasons. The reason that was clear from the member for Bateman when he was Treasurer was that the government simply needed a side issue to try to swing the debate—to stop people talking about debt and to give people a vision that things could be better as we look to the future. The government has been totally mismanaging the Treasury with more than 50 per cent growth in recurrent revenue since it has been on the Treasury bench. It is totally unsustainable, particularly when it has had reasonable growth in revenue, but it is now down in the 30 per cent range. It has 32 or 33 per cent growth in revenue, but expense has grown by 50 per cent. The government cannot control the budget; it has a whole lot of capital expenditure and debt has increased more than sixfold what it was when the government took charge of the Treasury bench—and it is not going down. The only reason the figure in the last year is going down is due to some shonky figures and the fact that the government has not been honest in its accounting. It was totally dishonest to suggest debt would go down in the last year. The first reason for the future fund is, potentially, to try to create another agenda to shift the debate. The other reason for this fund, I think, is that we have a Premier whose arrogance knows no bounds. He likes the idea of being the father of the future fund. He will not be around by the time the analysis is done and people say, "This was a really weird idea; this had no basis of providing any benefit to the state." The government is simply selling its own paper because it does not want to lose money. It will have this large debt, which it will take many years to whittle away, and we will simply use that debt to buy the bonds out of our own future fund and do a nice paper shuffle. It will all be properly accounted for, but if we do otherwise, we will be paying a higher interest on our loan than we get on the investment of the future fund. That will be losing money, so no-one will do that. The Premier likes the idea of having a "Barnett future fund" so he can go out and tell people who know nothing about finance or the structure of the fund that he has done something for the state's future. As incredible and ridiculous as that sounds, we see this Premier do it on a fairly regular basis. He goes out and says things that are simply untrue or that are on the basis of just a thought bubble: "We're going to have a stadium at Burswood. Don't know the price. Don't need to compare it with the one that was designed for Subiaco. It's just a good idea." He does not take account of a proper analysis and of the cost differential in making a decision based on facts. He simply says, "That's where I want it because I can put my

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name on it. It was planned by the Labor government to build it at Subiaco and we can't have that, so let's go to Burswood." Then there are problems with transport. "Let's have a pedestrian bridge over the river that people can walk on. It might take buses; it might not. We don't know how many lanes or how big it will be; we don't know how much it'll cost, but it's a great idea. It builds the imagination."

**Mr E.S. Ripper:** It's visionary!

**Mr J.C. KOBELKE:** It is visionary; it is a state on the go. I was in Adelaide a few weeks ago and that state government has decided to build a bridge over to the new Adelaide cricket ground, and there is a huge controversy over that. Compare the Torrens River to the Swan River. There is controversy over how much that bridge will cost, but do not worry—we have a Premier with imagination! The trouble is that the imagination is all about his arrogance and there is no reality to it. I think the people of Western Australia are starting to get onto that idea and realise that when this Premier says something, it does not necessarily stack up and it is not necessarily true.

**MR A.J. WADDELL (Forrestfield)** [8.47 pm]: Somewhere deep in the basement of this government is a whiteboard that has the word "Vision" written on it with a big fluffy cloud around it with little points beside it that says, "Ideas" and underneath it someone has written "The Big Picture" and drawn a big black line under it. That is pretty much the brainstorming that seems to have occurred somewhere, probably as a result of some focus group that was formed somewhere. It seems that this government has lots of big ideas, but very little in the way of detail. We have been subjected to more thought bubbles in recent times than any previous opposition may ever have been. In fact, the government has got it down to a very fine art with a certain language they now use to talk about their big ideas and their thought bubbles. With words like, "That's a great idea; we'll need to look into that. Yes; I think that's something the state needs; we need to get that on the agenda." Then it comes up with the big glossy pictures and the minister for lamination comes out with his big charts and shows us these great pictures of the big idea. If the state is really lucky and members opposite like their big idea a lot and they have a lot of these glossy brochures, they actually put a price tag of the planning element of it. So we might take a project such as MAX—the Metro Area Express—and say, "Stick the finger in the air; see which way the wind is blowing. There's \$1 billion or \$2 billion. There's our big idea. Everyone will love this big idea. We have a great picture; we'll put a commercial together. Don't worry about the money. How about we commit a couple of million dollars for some feasibility planning brochures?" That is the extent of this government; it is the government of brochures and, like a house of cards, it is rapidly starting to fall.

The Western Australian Future Fund Bill 2012 that is before us seeks to establish a future fund. This is a big idea—a future fund! The government will establish it with seed capital from the royalties for regions fund, totalling \$1.04 billion over the next three years, from 2012–13 to 2015–16. By my calculation, that includes the outlying years, which do not exist in the budget: "We will not worry about that for the moment. We will not worry about the projected 25 per cent increase in electricity that the government promised in the outlying years. We will just look at this \$1.04 billion and we will plonk that into the future fund."

I think the member for Balcatta went through very well the problems associated with establishing a fund while at the same time carrying considerable debt, and no doubt, this is a government of considerable debt. It has seen debt rise to levels that this state has never seen before. In fact, we are now up at \$18.92 billion. That is \$15 billion over the four years that the government has so far been in office, and there is no sign that that will stop.

I am not a financier. I am not somebody who has large investments. I am not somebody who dabbles a great deal in the stock market or anything else, but I have a small level of financial literacy. From time to time, I have read the odd financial book. I remember reading Robert Kiyosaki's book *Rich Dad Poor Dad*. He gives great advice. His advice is to "pay yourself first". We should not worry about our debt or anything; we should pay ourselves first. By that he means that the thing that everybody should be worrying about is their pension fund, what we would call our superannuation fund, and making sure that we put away some funds for ourselves for the future. That is the kind of thinking on which the future fund is predicated. The problem is that we are talking about a multibillion-dollar state that—presumably, unless we allow this government to stand too long—will continue to run indefinitely. It will not retire. We will not retire Western Australia at some point down the track. It does not need a pension fund for itself. It will continue to earn an income. It will continue to function as an entity. That sort of takes away that need to pay ourselves first as we worry about the looming retirement in our future as we get old. The state will not get old and need to retire. I need to underline that for government members because I think that they think the state is a person: WA will not get old and retire. We do not need to pay ourselves first. There are times when we would put away some investment. If we had surplus funds; if we had too much money rolling in from our royalties and we did not quite have the projects we wanted to do; and if we did not want to superheat the economy by pouring a lot of that excess money into it, it might be wise to lock that money away for a rainy day in the future. We might even hypothecate it into certain funds. We might say that we are creating



**Extract from Hansard**

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a dedicated education fund so that come rain, hail or shine our children will be well educated. But we are not doing that. Essentially, we are establishing a fund on paper that is based on debt that we will need to carry.

I suppose the government is trying to make a promise to the people in 2032 that there will be this money. Again, the member for Balcatta seemed to point out that it will be worth far less in the future than it is worth now. Between 2012 and 2032 the people will have to carry a greater burden of debt and all the problems that come with that, such as reduced services, higher parking fees for nurses, and higher electricity, gas and water charges. We have had this theme for the past four years and obviously the government intends to continue that to give this great gift to the people of 2032.

**Dr A.D. Buti:** They're also paying for members to come back to vote.

**Mr A.J. WADDELL:** Yes, I heard that we used a government jet to fly the member for Kalgoorlie to ensure that —

**Mr M.P. Murray** interjected.

**Mr A.J. WADDELL:** Yes, I heard that rumour. It was a terrible waste of money, but I will not go into that right now. The member for Balcatta said that the Treasury papers suggest that, on a good day when the wind is to our backs and the sun is shining in our faces and everything is going right, it is possible that we may be able to borrow for less than what we can lend and thus, possibly, make a profit. I think that is sort of contrary to most people's experiences and the long-term view. The only way we could achieve that is by carrying a great deal of risk. I hope that governments responsible for large sums of money would be averse to such risk.

Let us say there is a one per cent differential between what we are paying on our interest of loaning the money compared with the earnings we can achieve. If we took out the actual cost of the one per cent differential that we are paying, over the 20 years from 2012 to 2032 that \$1.04 billion would reduce to \$852 million. Our future vision and big picture idea here is to take \$1.04 billion and turn it into \$852 million that we cannot use until 2032. That does not make a lot of sense to me. I do not think it makes a lot of sense to the people out in the suburbs who right now are saying, "We need services. We need better public transport. We need more hospitals. We need more schools. We need, we need, we need and you are not delivering. All you are doing is taking, taking, taking." That does not make sense to the people out there. I think they see through this big idea of the government.

When I was very young—I am talking my teen years—I was a fan of certain science fiction writers. One was a chap by the name of Robert Anton Wilson. He wrote a book called *Schrödinger's Cat*. This particularly grabbed my attention, mostly because it had an element of quantum physics in it, but also because it had a very libertarian approach to things and that is where my politics were at the time. He explained this idea of the state of California being taken over by a government called Eve Hubbard who came up with the idea of Hubbard economics, which I believe was based on something called the RICH economy, which Timothy Leary was in favour of in the 1960s. I apologise for the fact that I was very young when I read it, but the idea there was that the state would invest and invest and invest and it would encourage people to invent things to do them out of work. Then the government would take the royalties for those new things that were invented; it would build up this great sum of money and keep paying all its residents a dividend to the point that everyone was living on the dividends and there would be no need for people to work. Of course, people would be so interested that they would go out, get more education and invent more things and everyone got wealthier and wealthier. It was a sort of utopian vision that I could get behind as a 16-year-old, having not yet experienced some of the more negative aspects of our society.

That sort of utopian vision is at play here. It is this idea that we can pinch a bit of money and pay off this big dividend for the future and in 2032 people will build monuments to the Barnett government. What a visionary government it will be! I must be careful because I know that *Hansard* does not do sarcasm well. What a wonderful government it is! When the government's own Treasury document indicates that this is not a good idea and so many things have to be right for it to work, I wonder why the government is going down that path. I come back to the big whiteboard that is out there. The question is: what opportunity costs do we have to live with to take this money out of the system now and lock it away for 2032? What could we do with that money now that would increase our tax base? What could we do with that money that would stimulate our economy and ensure that more money is coming into the government's coffers to allow it to meet the need for those extra schools, those roads and those public transport projects that I was talking about earlier? What could we be doing with that money now?

I raised a grievance in this place last year about the need to sink a water pipe in Maddington. It will cost \$10 million to do that, and it is holding up the entire Maddington redevelopment. The Maddington redevelopment will generate millions of dollars when it finally gets up and running. It will create housing for a

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large number of people. It will stimulate business in that area. But that redevelopment is being held back by the need for that \$10 million in funding. That is an investment that we could be putting in place today and that would generate income far greater than the projected \$150 million loss that the future fund will deliver to the state.

When we come to these ideas of what we could be doing now, I have to look at some of the big thought bubbles that the government has thrown up. Of course the most colossal thought bubble that I have been exposed to in the last few weeks is when the Minister for Transport came out with his plan for a rail line through my electorate. In fact, I opened up the paper to see that the rail link from the airport will come out at some unknown place in High Wycombe. The government announced the route without even indicating where it would end! It will end at this big question mark. I have driven around the electorate, and I cannot find the question mark. But that is where it will apparently end—at this big question mark, to be determined later. Why will it be determined later? It is because the Minister for Transport said, “This is a great project. We need to get behind it. This is an idea whose time has come. It is just that that time has not quite come yet, because we will not commence it until there have been at least three more elections.” That does not mean actually starting to dig up anything and build anything. The government is talking about three more elections before it will start considering it and before it will start having a planning process.

**Mr B.S. Wyatt:** A future fund!

**Mr A.J. WADDELL:** Yes! It should be finished in roughly 2031. In 2031 we will be able to catch a train from High Wycombe to see the announcement for the opening of the future fund, because they will coincide at around that time!

The reality is that we need to look at where the economic growth in Perth is taking place—where the economic heart is. The eastern suburbs is a growth area. The eastern suburbs is seeing a massive increase, not only in the number of people who live there, but in the businesses and the range of opportunities that exist there. But the development of the eastern suburbs is being held back by the lack of public transport and the lack of road transport. The place is becoming clogged up, and that is going to hold back the economic growth of that area. Seriously, if we are concerned about the future, we need to be talking about strategic projects such as the Maddington redevelopment. I am not going to allow the minister to stand up and say, “Wow! Look at Labor! They have just spent the future fund 19 times over!” I am not saying that we should take the \$1.04 billion that is proposed for this future fund and spend it on the Forrestfield train line. That is simply because I understand that that \$1.04 billion does not actually exist. It is debt that we will have to carry. But the question is: will the future fund deliver a dividend that is in excess of the economic growth that would occur if we were to put that money into a train line in Forrestfield or a train line in Ellenbrook, if we were to put it into fixing up some of the roads that are rapidly clogging up, or if we were to put it into the dozens and dozens of projects that we have on our wish list?

Perhaps we could use that money to do something about the massive blowout in the number of people waiting for a colonoscopy. How many people are sitting there with an undiagnosed cancer just because the waitlist for colonoscopies has blown out? How many people will die as a result of that? What is the economic cost of that? I understand that the Minister for Health has indicated that there is a need to address that problem, and I have no doubt that the minister will do everything within his power to correct that. But everything comes at an opportunity cost. That is money that is not available in the health budget. The consequence of money not being available in the health budget is that people have to make choices.

**Dr K.D. Hames:** The reality is that that money is not available now, either. The future fund will slowly build up that money over a long period of time. It is not as though there is \$1.04 billion there now.

**Mr A.J. WADDELL:** It is \$1.04 billion over the next three years.

[Member’s time extended.]

**Mr A.J. WADDELL:** That is money that certainly will be helpful in the budget in dealing with those sorts of problems.

**Mr B.S. Wyatt:** It is actually that initial seed capital of \$1.04 billion, and when it is modelled out it comes to \$3 billion of that \$4.7 billion. So that is the key part. It is not the one per cent each year. It is that growth.

**Mr A.J. WADDELL:** So essentially the growth is the interest that we pay outside that amount.

**Mr B.S. Wyatt:** On that initial seed capital.

**Mr A.J. WADDELL:** Yes. Okay.

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We could be investing in renewable energies and getting ourselves into a situation in which we are able to generate our entire electricity grid from renewable energy. Imagine what impact it would have if we had a completely green grid by 2032, if that was our big vision or our project. There are so many things that we could be doing with this money.

But I will not go on and on about that, simply because I want to turn to another problem that I have with this bill. That is the attempt that this government is making in this bill to lock future Parliaments out of it. This is probably my biggest gripe about this bill. I think it is the absolute height of arrogance for the government to say that an election that was won in 2008, on a very scant platform, will somehow empower the government to determine what the future of this state will be for the next 20 years. The government was not elected for a 24-year term. It was elected for a four-year term. The government has passed that time already. It is utter arrogance for this government to think that it is superior to the next Parliament, the Parliament after that, the Parliament after that, the Parliament after that and the Parliament after that. The government thinks that it can lock out those Parliaments. I have heard from the member for Armadale that there are huge constitutional problems about the way in which this is being approached. That would seem to me to be absolutely the case.

I fail to understand how an act of this place can stop this Parliament from passing another act, because surely if we were to bring another bill into this place, the first thing we would do is give that legislation precedence over any previous acts; and if for some reason we were able to construct some sort of legal fiction around that, we could, with the other place, simply bring in an act to change the Constitution to undermine and make that previous act invalid in some way. So the sovereignty of Parliament will always enable the Parliament to engineer itself around whatever the government might try to entrench today. Again, it simply will not work. The government must have advice to that effect. Blind Freddy can see that the government cannot lock out a future Parliament. Blind Freddy can see that if we are lending money, it is probably going to cost us more in the long run than what we are earning on that money. So what exactly is in play here? Is this some sort of incredible shell game that is being played out to try to pull the wool over the eyes of the electorate? Does the government have such a low opinion of the Western Australian electorate that it believes it can pull this stunt and get away with it?

The future fund is not resonating with the community. There is no excitement about it. I can honestly say that since this budget has come down, not one single person has come to me and said they think a future fund is a good idea—not one. I have had thousands of people tell me that they have a problem with their electricity bill. I have had hundreds of people complain to me about problems with their schools. Not one day goes by when I do not get an email about a congested road, and about trucks in residential streets. People in my electorate are very excited about the prospect of more public transport. Those are ideas that are resonating. But I am not hearing anything about the future fund. That is because in their heart of hearts, people do not believe it. They know this is political trickery. This is smoke and mirrors at the high end. I suppose that in the minds of a lot of people, this is very representative of what this government is about. The government is simply throwing up big puffs of ideas straight off the whiteboard, the big picture stuff: this is where we are going and this is what we are going to do! But they do not actually work for Western Australians. Out in Forrestfield, no-one is particularly excited about the government's big picture. No-one really cares or gets excited about Elizabeth Quay or stuff like Oakajee; it does not resonate with them. They want to be sure there are jobs and that they have the ability to get to their jobs. People are worried not only about their bills, but about the bills of pensioners and seniors. A lot of people have come into my office and commented that they are doing it hard and they wonder how the seniors are coping with these costs and increases. They are worried about the future. I do not know if they are worried about their own future—they probably are to some extent; but they are worried about people on fixed incomes. They know that if they are doing it hard and they have lost all their discretionary spend because of the way the cost of living has ramped up under this government, they ask themselves what someone on a fixed income does. They worry a great deal about that. To them, that is much more important than some picturesque development on the foreshore. Honestly, we do not need another \$5 a cup coffee house! They know that. They want public transport. They say they cannot get to Elizabeth Quay. When the government builds it, they want to get there! When the Minister for Transport was answering another dorothy dixer in this place the other day about additional public transport to deal with the footy stadium, which has no parking, he outlined all this parking. It is like the "raining buses in Wanneroo" comment. He is focused on public transport, but not in the eastern corridor; and the people there know it. They know they have been abandoned by this government. They know it is smoke and mirrors. They know ideas like the future fund is the government trying to play tricks on them, and they are awake to it. They are ready and they are going to come at you with baseball bats. I can tell the government that now.

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This bill really represents the government: a puff of smoke and a big idea that is small on detail, and the numbers do not add up. We see utter arrogance all the way with no real heart to it and no concern for people whatsoever. I implore everybody in this place to toss this bill out as the trash it is.

**MR M.P. MURRAY (Collie–Preston)** [9.11 pm]: May I start my contribution on the Western Australian Future Fund Bill 2012 by saying that I support a future fund, if the climate is right. Unfortunately, the climate is not right at this time. We know that it is not right when we see the former Treasurer vacating his position because he was not too keen on a future fund at all. He decided, from the way this government was going, that it was time to leave and to get out before some of the mud stuck on him and so he could enhance his future in another direction. It is unfortunate that the former Treasurer had to do that. It is really a bit sad because he has some ability, but we will not get to see that ability in this place because he could not agree with the Premier. It is really sad to see that happen. We have not heard about the blow-up behind the scenes, although we are hearing bits and pieces of what occurred, and the future fund is part of it. The former Treasurer wanted the money to spend and invest now, but the Premier would not allow that. The Premier has made a huge mistake letting good talent go while he pushes his antiquated ideas through this Parliament. But not only that, the Premier had to borrow money out of the royalties for regions scheme. He had to borrow, coerce, push, shove—whatever members like to call it—to get this started. Again, it is a smoke and mirrors game about where the money comes from and where it is put. The people of this state should understand that; they should understand that the future fund is not going to benefit them—not in the short term and not in the long term. It will mean that Western Australia will miss out on projects. It will mean that we are not going to build the base that this state needs, remembering that in the scheme of things we are a very young country; we are a very young state.

At the moment Western Australia is going along quite well because of our mining industry. The government has forgotten about the mining industry in the southern part of the state. We need infrastructure south of Perth. We need help down that way. We do not need money taken out and put in a bank account that will be available in 30 years' time. We want services now. We want people to have a comfortable life—not a luxurious life, which some people are not getting at the moment. It takes 111 weeks to get a state house in Collie. That is disgraceful in anyone's language. Along with that, houses are sitting vacant because there is no money in the budget to upgrade those houses to a liveable condition. They are not new houses. People are living in houses that are 40 and 50 years old. When the wind blows, the carpet lifts off the floor because of the cracks underneath it. We need that sort of government service now. Why should the government put away \$1 billion in an account to be used in 30 years' time? I do not quite understand that. The member who spoke before me spoke about his economic prowess. Mine is quite different: I was told to pay my bills first. That is what the Labor Party did as a government. We paid off the railway line. We paid a lot of infrastructure bills up-front, and we saved—the former Treasurer is not here—I believe \$170 million a year. That is what I call wise investment. We paid off our debt. We did not put it out on the open market with some shyster—I suppose I would call them that—in the way that happened with many of the shires in this state. When there was money around, they invested money outside the state and outside of Australia. What happened at the time of the global financial crisis? They lost a lot of money, and they came back and asked the state government for money because they had lost theirs on the share market—the future funds that we are talking about now. If anyone wants a small dose of reality, they should ask the shires about their experience of investing their money out in the big world instead of keeping it in local banks. They wanted to get more money than was possible at that time and they got caught. Some of them are still going through the courts trying to recover some of that money. I am sure that the Deputy Premier would have seen some of that in his time: money was put over to the side; it was not secured, and then it was lost. People were expecting to get some returns from that money in their shire in the form of roads, rates and rubbish and other services as well. That was a real disaster in the country areas, as much as it was in the city.

Let us look at the country areas, and I would like the Deputy Premier to clarify this: how does the government value a road and say that it cannot afford to fix a road, but there have been two or three deaths on that road? Let us say there were no deaths but two or three people were injured and in hospital, and it may cost \$10 million to support them because they have major injuries of whatever sort—I will not go into that—and we have to look after them for their remaining lifespan of 20 or 30 years, simply because we did not invest in that road. There are plenty of roads around the state like that at the moment.

Let us say we have those roads and the government decides it is going to run a million tonnes of wheat down those roads, but not upgrade them. That is happening in my electorate at this moment, all along the Albany Highway and the South Western Highway. The government has agreed to a million tonnes of wheat travelling along those roads, but is it going to invest money there? No, the existing road will do! I am sure that the member for Central Wheatbelt would know that this year 10 grain trucks have rolled over, and a couple of lives have been lost through that. Those 10 grain trucks were travelling on inadequate roads that are carrying millions of tonnes of grain a week, and those roads are going to get worse because no infrastructure money has been

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invested in the third tier. We are going to shut the rail down and put all those trucks back on the road without putting money back into those roads. I do not have any problem with road transport if it is safe and the roads are adequate. However, there are very few roads in this state that are adequate, especially those country roads that are only used seasonally when the grain comes through. It is said that a bitumen strip will do. It will not do. Recently, there has been crash after crash on Great Northern Highway. They were not grain trucks; they were ordinary freight trucks. Cars are getting mixed up with the large number of freight trucks on the road. The roads are not adequate; there are no double lanes. People in cars will follow those trucks for quite some time and then take a risk. What happens is that once those risk-takers get out there, the crashes start. What happens then? The pressure goes back onto the hospital system. Why would the government not want to invest to stop the leakage of money between the roads and the hospitals, thereby putting pressures on families into the future, and putting pressures on doctors, nurses and all those medical people who do a great job? We must look at it from a different perspective and say that that sort of money should be invested now.

Why should we not build our base? I do not quite understand that. Anyone who travels to European countries remarks on how traffic flows much more freely there with a much higher population density. Those countries use rail and short air hops—all those things that we do not have. We do not have a large airport in the south west so that people can travel up and down between Perth and Margaret River. Again, roads are taking the bulk of traffic. We need to learn a lesson from the Europeans and how they developed. They did not have the huge urban sprawl in many places such as we are getting in Perth. The investment here has been in only one town—that is, Perth. Over three-quarters of our population lives in Perth—in one city. We have this urban sprawl. We do not push it back in or put a ring around it and say, “Stop—because if you stop the sprawl, we’ll put in the infrastructure. We’ll put in those tunnels and we’ll put in those rail lines and we’ll put in that light rail.” We do not do that, so people resort to cars, and we then have to put in the roads. We have to push out from this sprawl.

We talk about the greenhouse effect. People have a go at me because I am in the coal industry and support the coal industry, but let us have a look at the number of cars on our roads. There were 43 000 new cars on our roads this year, and we wonder why the place is jamming up. We also must understand the pollution that comes from that traffic. Let us look at the big picture items. If we were investing properly and looking at what we will do about infrastructure such as light rail and roads and how to get people in and out of cities, we would see that we can do it in many other ways than presently done in Western Australia. On my trip to London earlier this year, I was amazed at London’s system. People walk down flights of stairs, jump on the tube and go a very short distance. Quite honestly, I had only walked down half the steps as people got out at the station at the other end. But that is what London has and what it has built its structures on, while we are just starting to lower the rail line in the middle of Perth. I think that is a real injustice to the people of Western Australia. It has been talked about for many years, but we have not done it. For a while we shut down the Fremantle–Perth rail line, but then we had to open it up again.

We must look at what we are doing for younger people. People talk about the future that we are rolling out. We have younger people in the sporting arenas. It is good to see the Minister for Sport and Recreation here in the chamber. I was at a basketball function with the Minister for Sport and Recreation; I am sure he was highly embarrassed by what was said at the function about what he wants to charge Basketball WA. The way the government has tried to put a cost on basketball that will make it prohibitive for some younger people to play the game has been a disgraceful effort. It is really sad that we have to put up the prices for playing sport while we are talking about a future fund. Yes, we have to pay our way, and we do not expect everything for nothing, but once we start to lift prices to reflect the true cost, people drop out. Again, it comes back to the health system. It will be under pressure because of obesity, as kids are not involved in sport. All those sorts of things will go back onto the health system. The Minister for Health smiles, but how much of the state’s budget is now used in health?

**Dr K.D. Hames:** Twenty-five per cent.

**Mr M.P. MURRAY:** It is huge, is it not? It is far too much, in my view, because we can cut it off at the bottom end to some degree. We will never stop it. We should be putting in place programs that will encourage people to be fitter and not be a burden on the health system. They will not have heart attacks when they are in their 50s; they might be able to get to their 70s, or they might drop off the perch before they have one.

**Dr K.D. Hames:** The reason I am smiling is that I look at your tummy and I feel mine, which doesn’t pass the grab test. I think there are a few of us around.

**Mr M.P. MURRAY:** We have to look at all those things, do we not? It is not only heart attacks that I am talking about; I am talking about the general health of a community, and we are having great problems in that area. In my town, I would like to see the state government contribute to some aged-care facilities. The federal government has, and there was some money that came from the Labor Party that went into aged care. We need

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those facilities. Yes, the minister can point at me and say that it is a federal government issue. It is not entirely. We are obliged to put as many resources back into aged care as is necessary to get the mix and match right within our whole state; we must get that balance right. As we know, the baby boomers are moving through the system. We are living a little longer, but with different health problems. It is really sad to see people who —

**Dr K.D. Hames:** Do you know that Western Australia is one of the longest living places in the world? If we were a country, we are equal to about a fifth —

**Mr M.P. MURRAY:** But it is not much good living to an old age if there is not much upstairs, and we have to think about that. I would rather that the heart go first and then fall off the perch than be caught out on the other side of it. We must think about that, and we must provide places for those people. We also have huge problems in the area of mental health. I would like to see many more units around the south west under the model whereby single bedsits are located around the side of the facility and a keeper in the middle, and those people can be semi-independent. We see families who are still looking after 30 and 40-year-old people because they have mental illnesses. These people come into my office and cry because they do not know what will happen to their son or daughter when they die. These people are in their 80s, and sometimes I think that the only reason they have lived so long is that they do not know what will happen to their children when they die. We need that sort of support for them.

**Dr K.D. Hames:** You can't say on the one hand that spending 25 per cent of the state budget on health is too much and on the other hand say that there are more things I should be spending money on.

**Mr M.P. MURRAY:** No, no; I am saying that we can make it better by investing in these areas so that we do not have to go into the health system.

**Dr K.D. Hames:** Where do I take it from?

**Mr M.P. MURRAY:** Do not get it mixed up. I am making a very clear point here. Twenty-five per cent of the budget is in the health system. If we can bring that figure down and put it into roads et cetera, we will have extra money to spend in those other areas. As the minister well knows—do not try to trip me up there—there is a problem. I am sure that the minister gets as many phone calls as I do, if not a lot more, from people saying, “What am I going to do?” Even at this moment, I have people in my electorate saying, “What can you help us with?” Really, I cannot help them; I have to be truthful. They go away, and at times they are very angry, but they know that there is nothing much I can do if the government will not spend its money.

I look at the south west and see a lack of funding and infrastructure going into the area, but the moneys that have been drawn out are extraordinary. There is \$300 million for the gas pipeline that has not eventuated. There is \$34 million for the desalination plant that has been taken out—\$15 million of that money was complementary money from the federal government, but we are not using it anymore. At the same time, we have a dam there with the biggest amount of water in the south west of the state—although certainly not bigger than anything in Kununurra—that is unusable because we did not invest \$30 million. However, the government will spend \$500 million on a desal plant or it will put money away while that huge amount of water in that very large dam is not being utilised. I do not understand that. We say that the state is overburdened with debt, and at the same time we talk about a future fund. For the life of me, I cannot understand how it has come to fruition that we think that because all the mining areas are going very well, we can slip off a bit of money on the side, and at the same time increase costs and charges in everyone's household. If that is not one of the major issues in this up-and-coming election, I do not know what is. It will get worse for the Liberal Party because it is not investing; it is taking money out at all times. As I said, it would not even put money into Basketball WA to let kids participate at a reasonable price. That is a travesty. We have other areas in which we will overspend, such as the football stadium, where we could save \$300 million and put that money into areas that really need it. We are shutting down services here, there and everywhere. If we try to travel to Perth from Collie on a bus, it is a two-day trip now because services in that area have been cut. Elderly people who come to Perth to see their specialist have to stay overnight. That is another cost that should never have eventuated in our country. It does not matter whether it happens in an area out of the state or within the state, it should never have eventuated.

The future fund has been touted as the saviour of Western Australia. I do not see it that way. We should be able to pay off some bills and have money to spare. We should have more money to invest in schools and education and in the future of our state in the shorter term, not in 30 years. People cannot be educated today because of the costs involved. They cannot afford specialists because of the costs involved. We need to think about that. We need to think very strongly about the future fund, especially, as I was saying before, in areas where there have been cuts. Even though it is not directly in his electorate, the minister would be very interested in Harvey Hospital, for which money was promised during the election. It is not in my electorate. Hopefully some of that money will be shifted out. Harvey Hospital was talked about and now the funding has been withdrawn. It is an

old hospital and it needs upgrading. Some work was done on it under the Labor government, though not enough in my view. The growth rates in the Australind area mean that people should be using that hospital instead of putting the pressure on Bunbury, but it is not happening. It is very sad that the member for Murray–Wellington is not here because I am sure he would agree with me. He has been duded by this government. It is putting money into a bank account somewhere else other than into the infrastructure of this state. If we do not change the views of the government, it will pay for it at the next election, the same as we paid for it at the last one because we were a bit too tight in those areas.

**MR P.B. WATSON (Albany)** [9.32 pm]: I would like to talk about the future fund. I think I was brought up pretty well by my mum and dad, who always taught me to pay my bills and save my money and if I wanted to buy something, I should maybe take out a small loan and pay it off quickly. Over 30 years, \$1 billion will be put into the future fund. I agree with the member for Collie–Preston that maybe it would be a good idea if we were right in the middle of a mining boom, but at the moment I do not think it is the proper thing to do. I am really upset that a lot of money has been taken out of royalties for regions. Royalties for regions was specifically for projects for the regions. All of a sudden, with the stroke of a pen, all this money is coming out of it. At the last election, the kingmaker, the Leader of the National Party, said he would look after country people and he set up the royalties for regions fund. I support it 150 per cent. I do not support the Premier going to the Leader of the National Party and saying that he will take some of his money for a future fund when people in regional areas are really struggling at the moment. People in my electorate are really struggling at the moment. We have problems with roads. Co-operative Bulk Handling Ltd cancelled some of its trucks. Drivers were told not to drive on certain days in the bad weather because of the roads. In this day and age we are seeing a major company such as that stopping its drivers from driving.

The Minister for Transport came down to Albany and announced that \$7 million would be spent on country roads. This is tremendous. We thought we had done really well. Then we compared it with the rest of the state. The great southern got only five per cent of the total funding. The Liberal and National Parties are spending a lot of money up north. The National Party wants to get its leader elected up north. A lot of funds are going up there.

**Mr M.P. Murray:** It's called pork-barrelling.

**Mr P.B. WATSON:** It is called pork-barrelling but I am not the sort of person to say that. The member for Collie–Preston can say it because he will probably get away with it. As I said, we got only five per cent of the funding but the people in Albany probably have to drive on some of the worst roads. People who regularly drive from Perth to Albany and vice versa and see all the white crosses on the side of the road would realise how dangerous that road is. A Labor government will put money from royalties for regions into those areas. It is a shame that the Minister for Sport and Recreation is not in the chamber because he would know that when we drive from Kojonup to Mt Barker, we see all the crosses on the side of the road and the lack of passing lanes. There is a dual highway down to Bunbury. That is great as it has reduced the number of deaths on that road. When we compare the number of people who drive on the roads with the number of deaths that occur on the roads from Albany to Perth and return, there is not much difference. I know we cannot get a dual-lane highway on that route, but some of the money that is going into the future fund should be spent on roads.

**Dr K.D. Hames:** It will actually be coming out of speeding fines. Now we are putting 100 per cent of speeding fines into that fund. A big chunk is going to come out, especially for things like that—changes to roads, passing lanes, shoulders, rumble strips, where there's big accidents like on that road you are talking about.

**Mr P.B. WATSON:** I thank the minister. We talk about all this money being put away in the future fund. Earlier today I spoke in this place about the Katanning disaster, as I call it. We are giving a maximum of \$45 000 to people who have suffered for over 20 or 30 years. It is diabolical that the government is going to put \$1 billion away when members of the community have suffered through bad management and bad government from every side of Parliament and we are giving them \$45 000. As a lot of these guys said today, their medical bills over the past 10 or 15 years would add up to much more than that. I cannot understand why we have a ceiling. Some guys that I have spoken to, including those who did not go to the inquiry but who just rang me because they knew I was involved, said that their families had broken down, they had drug problems or they had been to jail because they thought it was their fault. I know that we went through all that today. It is something that we cannot change. I am extremely disappointed that the most amount of money that will be given to an individual is \$45 000. Who are we to say who is going to get \$45 000, who is going to get \$40 000 and who is going to get \$30 000? Redress WA had all sorts of different conditions. These people have suffered for so long. I gather from what the Premier said today that there will be a new system. Do these people have to reapply? Do they have to go through the horrors they went through in the Blaxell inquiry? Do they have to revisit everything? These people have suffered enough. As I said today, we cannot forget it. We cannot just say, "Okay, here's \$45 000." That is what upset most of the guys who came to see me originally. They said that they were not in it for the money. They just want

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closure. They want people charged for what they have done. Some people are going to walk away. I am embarrassed to be a member of Parliament but I am also very, very proud to be a member of Parliament because we have done something about the suffering and we are going to stop it from happening again. I applaud the Premier and the government for doing something about it. I was extremely disappointed about the money. Given we have a football stadium that is going to cost \$700 million to \$1 billion, where are our priorities for the people who really need it?

At the airport on Monday night, on my way to Perth, I spoke to a lady who is a diabetes education nurse in Albany. She is the only one in our area. She looks after more than 500 people—I am one of them—and she cannot get any help. She is getting old; she will not mind me saying that she is getting on. She does the job because she loves it, but she just cannot keep up with it and there is no-one to help.

The member for Collie–Preston brought up the WA Basketball Centre. This is something close to my heart; this year I was made a life member of the Albany Basketball Association. People in regional areas rely very heavily on the basketball association making money. I will quickly read out a member update, which states —

This update is provided to our Basketball Community on the cost imposed on us by the Government to remain at the WA Basketball Centre. When we moved from Perry Lakes it was on the understanding that we were relinquishing our home to the Government and there would be **No Disadvantage** in doing so.

We fully expected to pay more for a World class facility, but the time is rapidly approaching when the sheer cost and loss of revenue will mean that the future viability of our sport is being placed in jeopardy.

Basketball WA now has to pay a fee to hire the courts from Venues West. Courts are then ‘on sold’ to basketball users. The net revenue is applied toward growth and development programs throughout the State, —

Which in regional areas is very important —

as we did before moving.

Income has reduced dramatically from when BWA operated the Perry Lakes Stadium as a result of having to pay for court hire, and administration offices. In addition we lost all the revenue from the canteen, bar, function hire, venue sponsorship and use of the centre for anything other than basketball. All of that income now goes directly to Venues West ... **No Disadvantage?**

We always expected some reasonable increases and we have been paying over \$180,000 annually since moving into the Centre. However, as of 1 July 2012, the Minister for Sport and Recreation has determined that an increase of approximately \$100,000 per annum would be paid by BWA for court hire.

That is \$100 000 extra for young people in our communities to play sport —

... BWA has been forced to pass it on to ... the basketball community. In addition, courts used for BWA camps, clinics, development programmes and the like have become more expensive. This has resulted in less money available for investing in growth and development programmes that secure the future of our sport, a pathway for our youth and build social capital.

Basketball WA is negotiating to have the current court hire rate indexed to CPI for a 5 year period to limit potential increases to all basketball users. Neither the Minister nor Venues West will agree to this. Venues West’s position is that a further increase of approximately \$100,000 should be levied on 1 July 2013. And thereafter rates will be set annually based on their calculation of a “Commercial Rate”. No business in Western Australia would agree to enter into such an open ended lease that could potentially bankrupt them.

Basketball WA and basketball users simply cannot afford yet another \$100,000 increase next year and potentially every year after that if we were to agree to this formula. Furthermore it would mean that our Metropolitan and Country development programmes will be decimated. It will mean having to:

- cut our growth and development programmes, particularly those in country areas that have ever increasing travel requirements,
- cut virtually all junior development programs and
- pass on the full amount of the increase to all basketball users.



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Basketball in Albany is huge; we cannot have enough games because we have so many people and the courts are booked out every day of the week. It is a growth sport in Western Australia, but what we have is a government department, VenuesWest, bleeding basketball dry, especially in regional areas. I am sure, Mr Speaker, all your young people would come to Country Week Basketball. It is a highlight of these young people's year. I can remember coaching in the old Perry Lakes shed in about 45 degrees, but now we go to the new stadium and there is air conditioning but it is not turned on because they cannot afford it.

I know that I am probably drifting a bit —

**Mr D.A. Templeman:** No, no!

**Mr P.B. WATSON:** However, we are talking about money that could be used in regional areas instead of being put in the future fund.

**Mr R.H. Cook:** Spot on target!

**Mr P.B. WATSON:** Infrastructure for racing clubs is a huge issue. The bipartisan committee that reported on Racing and Wagering Western Australia wanted Treasury to set up an infrastructure fund for race clubs in regional areas. Race clubs in regional areas are the real lifeblood of the community. The Minister for Sport and Recreation today talked about racing, which involves farriers, jockeys, feed merchants, track workers and the people who exercise the horses. If members go to Albany racecourse on a racing day or in the morning during the racing season, they will see people everywhere—it flows right throughout the community. It is very important that we have proper infrastructure in racing clubs. I know that the Minister for Sport and Recreation provided through RWWA money for a new jockeys' room and things like that, but the tracks in most regional areas are suffering and we need that infrastructure desperately.

Money spent on speed zones, instead of going into the future fund, can improve the safety of our children. The Minister for Transport came to Albany recently. The minister was interviewed on ABC Radio and was asked why it has taken so long for these speed zones to come to Albany. His comment was, "We had to get all the ones in the city done first." To me, the children in regional areas are just as important as the children in the metropolitan area. For the minister to come to Albany and have the cheek to say, "We've got to do the city first", to me, is a complete disaster. Our kids are just as important as anyone else's kids.

Carers and respite are real issues. A lot of people in my electorate look after their own children with disabilities, but they are ageing themselves and they want carers or a bit of respite. Some of these children slip through the cracks because they do not fit into A, B, C or D—they may fall between A and B or B and C—and they cannot get carers because there is not enough funding. This is something that is really needed. As I say, a lot of the people who live there are seniors.

We have talked about money being used in regional areas. The gas pipeline was a promise made by the Premier at the last election. It was all over the posters at the last election that the gas pipeline would be built in this term of government. I realise that there are issues with the current world situation, but if we had some of the money that is for the future fund, we would not have to go looking for independent contractors to do it. I think the Premier came out and said, "There's a group that said it will invest all this money—over \$400 million—and people will come", but I think it has to be looked at in a different way because in the current world climate I do not see any companies that will invest that sort of money and hope that people will come.

As the member for Collie–Preston said, the Department of Housing is a huge issue. There are people in Albany who live in cars or up at the forts. If members go to the beach early enough in the morning, they will see a lot of young people living in cars because they just cannot get Homeswest housing. There are a lot of houses around and people come to me and say, "Mr Watson, there's a house in Pretious Street, there's a house in Spencer Park, there's a house in Lockyer—there's no-one in there", but when I get onto the Department of Housing, I am told that it is waiting to fix them. I am not sure what the waiting list is at the moment, but it is just huge. These people are desperate for houses and they do not care about the standard of the house. A lot of them are quite willing to go in there even though the back verandah might not be right or a couple of things have been damaged by previous tenants. They are quite willing to go in there just so they have a roof over their head. People with families are living with their brothers, sisters, aunties or uncles, especially in the Nyoongah community. I have brought this matter up before with the Minister for Housing and he has promised to look at it, but a lot of rental houses in Albany are unoccupied. One of my constituents, Cathy Dennehy, suggested that we rent out to Homeswest houses that are privately owned and unoccupied so that we can at least reduce the waiting list.

Everybody wants a roof over their head; sometimes when I am laying there on one of Albany's occasional wet or cold nights I think, "Gee whiz, I'm glad I'm here and that my kids in Perth have a roof over their heads". But some kids in Albany are sleeping in cars, on floors or in sheds. Every child and every family should have a roof over their head. We are putting all this money away—\$1 billion over 30 years—but we need to look to the

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people who are struggling at the moment. My seniors are struggling; they are battling to pay their water, power and gas bills, yet we are putting all this money away.

As I said at the start, I think this would be a good idea at the top of the boom when there is lots of money around, but at the moment I think it is a bad idea.

**MR D.A. TEMPLEMAN (Mandurah)** [9.51 pm]: It has been said on a number of occasions about the future fund that the government is effectively borrowing off the credit card to stick in the savings account. Previous speakers on the Western Australian Future Fund Bill have highlighted very effectively a number of the grave problems with this proposal. We also know that there are third parties that are very concerned about the government's future fund proposal, including the Chamber of Commerce and Industry of Western Australia. They have been saying very clearly that this is not the way to go, particularly when this government, as we know, has allowed debt to spiral from just over \$3 billion when it came to power in 2008 to \$18.3 billion now. The member for Victoria Park will correct me if I am incorrect, but it is expected that debt will spiral even further over the next few years to more than \$23 billion. That is astounding. In 2008 when the Barnett–Grylls–Constable–Woollard–Catania cobbled-together coalition or alliance came to power, debt was at just over \$3 billion. Now, just a little over four years later, that debt has expanded to more than \$18 billion and is expected to increase to \$23 billion.

Now we have this facade called the future fund—a facade that ultimately puts all the payback on our kids. When Premier Barnett retires from this place with his very healthy superannuation payout—the very lucrative scheme of which he is a beneficiary—he will not have to worry about paying the bills because he will be on a nice, fat pension that will be paid to him for life, as will other members in this place who are on the old scheme. The families in Western Australia—families in Mandurah, Nollamara, the Pilbara, the Kimberley, the great southern and the Peel region—will have to continue paying back the debt that this government has allowed to spiral out of control. Of course, they will also be left with this facade that is known as the future fund.

In common with what a number of other members have already highlighted, what my community wants and needs is the delivery of services that are important to it, not fandangled programs or projects that will never see the light of day. I want to highlight to the house this evening some very important programs that are under threat in my electorate, and in the electorate of the Deputy Premier and Minister for Health, the member for Dawesville. They are all about services and the genuine needs of genuine people—the needs of families, seniors and people who are vulnerable or going through a tough time. We already know that this government has overseen a 62 per cent increase in electricity prices during its term of government; more than a 40 per cent price increase in water; and a nearly 40 per cent increase in the price of gas. We know that, the government knows that, but it has blindly continued with a flawed economic program that has seen debt spiral out of control.

I want to highlight some genuine issues that relate to the needs in my community and why investment needs to happen now, particularly in services. I am glad that the Minister for Health is here, because most of these issues relate to health. This is in the area represented by the Minister for Health and me, and these issues are in the minister's portfolio areas, so he should be taking great interest because these services are very, very important and a couple of these examples are from his electorate.

Mr Gordon Johnson wrote to me—he also wrote to the Minister for Health—and I have also written to the minister about this. Gordon is an older bloke; his wife, Merle, suffered a severe stroke in late 2011. She lost her power of speech and suffered paralysis down her right side as a result of atrial fibrillation of the heart. She was diagnosed with this after a shoulder operation at the Mount Hospital. She spent four and a half months at Fremantle Hospital, where her treatment was very good. Upon returning home, she received home care, occupational therapy, physiotherapy and speech therapy, but that ceased on 28 June 2012 because of a lack of government funding. I find that absolutely disgusting, considering the billions of taxpayers' dollars that are spent on other things. I now quote from Gordon's letter which reads, in part —

I am now forced to take Merle to Rockingham Hospital twice a week for Occ and Physio because there are apparently no trained Stroke Staff at Peel Health Campus, and to Peel Health Campus once a week for speech therapy. Not only does it mean all this travelling for which I get no financial help at all ... but the extra burden of getting Merle ready to go in the car especially in unpleasant weather, and also these reduced sessions are not frequent enough to ensure that Merle has the best chance of a reasonably good recovery from this devastating stroke, which was not hers (or mine in fact) fault.

I have been told that Occ Therapy and Physio Therapy at Rockingham Hospital will cease soon and I presume Speech Therapy at Peel Health Campus will in time cease also. So where to then???. As Aged Pensioners the cost of private Therapy Specialists is out of the question. I fear and am extremely concerned about what will become of Merle. Do we just get thrown to the wolves and our own devices

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so Merle will have absolutely no chance of continuing to slowly improve and have at least the opportunity of having a decent outcome from this stroke that cut her down.

We both worked hard all our lives Merle as a primary school teacher and I most of my life farming. We both supported our families and have never expected or received anything else till we retired.

I am asking from the depths of my heart that you seriously consider Merle's case with compassion and caring so that she continues to receive the excellent therapy that she has been receiving, so one day Merle is able to talk to her grandchildren and to again walk and play with them as she deserves to be able to do.

That letter went to the minister. I do not know whether the minister has responded to it, but Mr Johnson is one of the member's constituents; he lives in Sharland Street, Mandurah.

I come now to another example. A lady in my electorate rang me today. I cannot mention her name, unfortunately, but she highlighted issues about the patient assisted travel scheme. Apparently there has been a review of PATS as it affects the Peel region. This lady received a letter from the Department of Health, signed by Joanne Holmes, coordinator Peel PATS and voluntary transport, about a week and a half ago, saying that there has been a review of PATS and that two key factors had been recognised as part of that review. As this lady explained to me, her husband had a mouth cancer. He was operated on in 2009. He had reconstructive surgery in November 2011. But he has ongoing oncology needs. He has to see ear, nose and throat specialists. He has to see eye doctors because of the reconstruction that needs to be done on him. He needs special dentistry work to rebuild some of his craniofacial features. He is also diabetic. She highlighted to me that 12 months ago, she used to put the form into PATS and she would get \$20. That is not a lot of money in Mandurah—it is not a lot of money anyway. This lady and her husband have worked all their lives, and they had almost paid off their mortgage. But now that PATS has been changed, she and her husband have had to borrow money on their mortgage to help pay for some of the additional medical costs that they have had to incur. This lady said that it is costing her sometimes up to 200 bucks a week to get to and from Perth in petrol and parking. Her husband has to go mainly to Royal Perth Hospital, but also to some other specialists that are not situated at Royal Perth Hospital. This is a real cost on a family that is on a fixed income.

I am very concerned about this PATS review. No-one wrote to tell me that PATS had been changed, so I am glad this lady told me about these changes to PATS. We fought very hard in the lead-up to the 2001 election to highlight to the government of the day the need for PATS and how it affects people in Mandurah and the Peel. But there is now this assumption by Perth-based bureaucrats, and by Perth-based members of Parliament who represent regional areas but live in Perth, and who do not have an understanding of what is happening every day in my community, where I live, that, "Well, you have now got the train, so if you have a specialist appointment at Royal Perth or at Sir Charles Gairdner for cancer, you can get on the train". That is rubbish! If a person is crook and is suffering and needs oncology treatment, and has an immune system that is depleted and under threat of infection, the last place that person needs to be is a train in which there are other people who may have colds and other things that are going around. So forget this rubbish that just because people in Mandurah now have the train, everything is solved. That is absolute rubbish.

That is one of the reasons that I have complained to the Minister for Regional Development about his arbitrary decision with the Country Age Pension Fuel Card to draw a line around Mandurah and excise Mandurah from the country area, even though it is by law—by legislation—a regional centre. I have the strange situation in my electorate where people who live across the Serpentine River in the Shire of Murray, which is still in my electorate of Mandurah, can get the fuel card, but people who live in Mandurah, 200 metres away across the Serpentine bridge, cannot get it. Be consistent!

I have just given the Minister for Health an example with regard to PATS. The minister had better fix this, because I can tell him that people are going to come out of the woodwork. Many people have a genuine need for support so they can get to important medical appointments. They cannot just get on the health bus that leaves from the Peel Community Health Service in the Lakes Road area. They really are under great strain.

**Dr K.D. Hames:** I am not aware that we have changed anything.

**Mr D.A. TEMPLEMAN:** The minister had better look at the letter that he sent out. He will find that it mentions two key criteria, which are the introduction of the Mandurah–Perth rail link in December 2007 and increased public transport services being available to the Peel residents who are not able to access specialist medical appointments locally. The minister has fallen for the trap.

**Dr K.D. Hames:** I have not.

**Mr D.A. TEMPLEMAN:** The minister has because he has sat back and done nothing about it, as he always does. He has done nothing about it.

**Extract from Hansard**

[ASSEMBLY — Wednesday, 19 September 2012]

p6196b-6221a

Mr Chris Tallentire; Mr John Kobelke; Mr Andrew Waddell; Mr Mick Murray; Mr Peter Watson; Mr David Templeman; Mr John Hyde

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**The SPEAKER:** Member, the last time I looked, we were discussing the Western Australian Future Fund Bill 2012. Occasionally, member for Mandurah, some members have strayed from the topic. Previous Acting Speakers and I have perhaps given some leniency to members. I have given the member for Mandurah some leniency—I am sure you appreciate that—but I just ask that you perhaps tie some of the comments that you make with great enthusiasm back to the Western Australian Future Fund Bill 2012.

**Mr D.A. TEMPLEMAN:** Royalties for regions is going into the future fund. I have stood in this place on a number of occasions and highlighted the pathetic distribution of royalties for regions funds to the Peel region and now a huge amount of royalties for regions funding annually will go into this facade called the future fund. I am saying very clearly that the royalties for regions funds should be delivered to the regions, as it was always originally conspired to do. I have always argued that the royalties for regions funding should be distributed in a far more equitable and targeted way because Peel has missed out. I think everyone in this place who represents a seat in or around the Peel region would admit to that. In the first four years of that fund, on average, less than two per cent of the royalties for region funding went to the Peel region for funded projects. Amazingly, that is despite the Peel region being an area of great need where the highest number of hardship utility grant scheme requests are made. The highest number of applications for that assistance came from Peel. Peel's average population growth has been over five per cent annually over the last 10 years, yet historically we have had some of the highest unemployment trends in youth unemployment and employment generally. I highlight that the bill before us borrows off the credit card to stick into the savings account—the future fund. My community needs money spent on services now. It does not need the money to be squirreled away in a fund that we will not see any benefit from until 2031.

I want to highlight the abominably high rate of family domestic violence in the Peel. I will refer to a document from Allambee Counselling Inc in Mandurah that has been operating for a number of years now. A table of sexual assaults shows that across Western Australia there were 1 564 reported sexual assaults. Just over 1 000 of them occurred in the metropolitan area and 507 occurred in the regions, of which 185 occurred in the Peel region. Approximately 36 per cent of all regional sexual assault referrals, or indeed reporting, occurred in the Peel region. Again, of the 320 historical sexual assaults reported for all regional WA, 216 were in the Peel. Sixty-seven per cent of regional historical sexual assault occurs in the Peel.

[Member's time extended.]

**Mr D.A. TEMPLEMAN:** Of the 10 000 incidents of domestic violence reported in all of WA, 3 500, or one-third, were in the Peel region. Given what domestic violence does to families and the women and children who witness it, or who are in a family in which domestic violence occurs, we would think that Allambee Counselling would be funded for therapeutic counselling services for adults and children—that is, important therapeutic counselling that is delivered to assist those women and, in particular, those children, to address and deal with what they have seen and experienced. Allambee receives zero funding for therapeutic counselling services. I believe this is a classic example of where royalties for regions should be delivering the funding for that service. Allambee Counselling needs approximately \$150 000 a year to deliver a therapeutic counselling service. It currently gets around \$20 000, but it will not be able to continue the small amount of therapeutic services that it has been offering because the money will dry up. Allambee's ask is \$150 000 a year. I think Allambee should be given that money annually for the next four years and that it should come out of royalties for regions. It should not be overlooked, yet this future fund bill before us squirrels away royalties for regions money that should be used for important services such as this in my region. I have been Minister for Community Services previously, but these statistics continue to be absolutely alarming for Peel, particularly over the past couple of years. The Allambee Counselling service badly needs support, particularly given the statistics that I have highlighted to members tonight to show how the Peel region compares with regional WA in prevalence of historic sexual assault and domestic violence—yet there is no funding, zip, for therapeutic counselling services.

People say, “Oh, you have the refuge there.” Of course we have the refuge there. Pat Thomas House is a very important crisis accommodation service for women and children escaping domestic violence, but there is no therapeutic counselling service to support those women and children who might find themselves in the refuge or in the community but badly needing those support services. This government is so out of whack with its priorities. It has no understanding of what is going on in the real community, and that is just one example. There is another one. I am not blaming the member for Dawesville for this, but he needs to take note of this: the Peel Youth Medical Service is under threat. I know this service. I remember when it was started by some very dedicated doctors, some of whom are still associated with the service. I know that the member for Dawesville has met them. The Peel Youth Medical Service deals with young people, many of them vulnerable and at risk, and addresses a range of their health and wellbeing needs. They deal with lots of pregnant teenagers and young women who are referred to them from services like the Peel Youth Medical Service, which is run by Be Westbrook. Why are they under threat? The minister would know this. We have an interesting model change

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happening in the Peel now with the GPs down south and the Medicare locum coming into the region, and there are now some very serious question marks against some services that have traditionally been delivered. The minister has to get a handle on this because he is not only the Minister for Health but also one of the elected members for the area. At this stage, PYMS has been funded by GPs down south. It is not the fault of the GPs down south, but the funding model is changing. PYMS is a very important service. I have met with young mums who have been referred to PYMS and who, for the first time, are getting quality medical services for their needs. These are young people who might not normally get to a GP, but through PYMS they are getting to a GP. They need to be supported by the government, rather than see it squirrel away money in the future fund, which we will not see any benefit from until 2031 and which is taking money from royalties for regions that should be going towards services like this. No member here can tell me that royalties for regions has not been going towards health. The Minister for Regional Development put out a press release earlier this year trumpeting how much money was going to health in the regions. I think it was half a billion dollars. Then we asked a question in the other place about health in the regions and how much of that \$500 million went to the Peel region for health. It was zip, zero, nought, nil, nothing—not a brass razoo! That was under the nose of the Minister for Health. I am not going to have too much of a go at the minister, because I know he understands that we have been stuck between a rock and a hard place—Perth is the rock and Bunbury is the hard place, and we get stuck in the middle. The minister has to lift his game, because it is absolutely vital that we do not allow the Peel Youth Medical Service to fall in December. This time line for the Peel Youth Medical Service is December.

**Dr K.D. Hames:** You do not want to listen!

**Mr D.A. TEMPLEMAN:** I have a lot to say; I have not finished yet.

The future fund bill says that the government will take some more money out of the royalties for regions fund. In the Peel, we already know that we have not been getting our fair share—we have not! We are one of the fastest growing regions, along with the south west, and on average we get less than two per cent of royalties for regions, yet we have a whole range of statistics that tell us there are people on fixed incomes, people under high mortgage stress, a lot of defaulters on their housing loans and repossessions by banks; and there is high unemployment, youth unemployment above the national and state average and general unemployment above the national and state average. The hardship utilities grants statistics say that people have been walloped by this government with increased charges for electricity and water. These are the basic necessities of life. All these statistics say that we are a region of need, and when I have highlighted that to the Minister for Regional Development, he says to the local paper, “I am comfortable with how the royalties for regions fund has been spent because it focuses on need.” The minister is blind to what is happening in the Peel. The Minister for Health has got to help us to get a greater share of the royalties for regions fund. It is a good fund; it is an important program. The Labor Party supports it; we voted for it in this place. We are going to make sure that when we come to government on 9 March 2013, we will spend it better. We will target it to the areas that need those funds. We will make sure they are not spent on fancy, colourful, fluffy things that do not have any legacy. We will make sure those funds are spent on things that are needed. Let me finish with one other example of how the government has to spend money now on the services that are needed.

This is another example of why the government has to spend money now on the services that are needed. I received an email from a mum, Sarah Carr. I said to her I would read this out and she said I could. Her email reads —

Good morning,

I am a parent whose child attends Austin Cove Baptist College —

A new college in the member for Murray–Wellington’s area —

He is in Year 1 and catches the bus service from mandurah bus station out to the school in South Yunderup. Originally there were three buses for this services which at the time was probably more than adequate and thus the third bus was reallocated to another school. My son is only 6 and now he never gets a seat, he is scared of being on those over crowded buses. The school roll has increased hugely but the number of buses has not. Currently they are trying to squeeze three bus loads on to two buses.

Today was the straw that broke the camels back, both buses were full and the driver refused some of the kids, so these kids were left at the bus stop crying and very distraught.

One of them was hers, a six-year-old —

This is not acceptable. I know I speak for all parents whose kids catch this bus, we want the third bus reinstated immediately.

I have written to the Minister for Transport; the principal has written to me and I have forwarded the letter from the principal to the Minister for Transport saying, “Come on, this is about kids. This is about need. This is about

Mr Chris Tallentire; Mr John Kobelke; Mr Andrew Waddell; Mr Mick Murray; Mr Peter Watson; Mr David Templeman; Mr John Hyde

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making sure that the services that are required are delivered, and this is a safety issue!” The unfortunate thing about Austin Cove is that when it first opened, we had a terrible tragedy, a death. I went to the poor young girl’s funeral. I remember her family were absolutely distraught. There has already been an accident related to getting kids to and from that school. It happened the first February it opened, and it really was a terrible tragedy. This is about safety. I do not want to see a bus tragedy. We had one earlier with the Mandurah Baptist College when it first opened in 2005; some students were involved in a rollover, and thankfully none of them were badly injured or worse.

This is real example of where services need to be delivered. I am sure the member for Perth, when he takes his stand, will make sure that he also outlines to this house what is happening in his electorate. I have outlined a couple of examples, such as Allambee Counselling services that do such important work with women and children and families in Peel involved in domestic violence. These are examples of need. They are real. Mr Johnson and his plight with his wife are real. What we need is a government that prioritises its spending to areas of need. My community is an area of need. It has missed out and is missing out under this government and it will certainly not derive any benefit from a cranked up, busted idea that borrows off the credit card to stick into a savings account; that is what this future fund does, and our kids will pay for it.

**MR J.N. HYDE (Perth)** [10.23 pm]: I am —

**Dr K.D. Hames:** Let us see how the member for Perth will spend the money. Everyone else who has spoken so far has spent that money fully in their own area. Let us see if the member can do the same.

**Mr J.N. HYDE:** I thank the Deputy Premier for the challenge, and we shall see what emanates.

**Dr K.D. Hames:** No more borrowing. Let us not borrow any money but I can spend all this money in my area.

**Mr J.N. HYDE:** We need to get on track, Deputy Premier, and look at exactly what is this future fund that the Western Australian Future Fund Bill is proposing. What the Deputy Premier is proposing is very much a credit card. This is not a true future fund. This is not a true investment fund. This is not a fund that will ensure —

**Dr K.D. Hames:** If you call it a credit card, surely it is a savings credit card, not a debit card.

**Mr J.N. HYDE:** Where is the redraw facility? How much is this government planning to put in to take away the \$22 billion of debt that it has already chalked up? If the minister had a real redraw facility —

**Dr K.D. Hames:** In my bank I have levels of debt, some of which I am not paying off. In fact, I have sold a house and I cannot pay it off because I have a fixed-interest loan, so I have that set up as an offset savings account.

My wife got an inheritance, but it is an offset savings account. So, it offsets my debt, but is there as a savings account.

**Mr R.H. Cook:** What’s the net effect on your financial position?

**Dr K.D. Hames:** It reduces my debt.

**Mr J.N. HYDE:** Instead of paying off the high rate that we are paying on a good swag of that \$22 billion in state debt, we are creating this future fund.

**Dr K.D. Hames:** That is what I said about the savings account for Fiona Stanley Hospital, and you guys disagreed.

**Mr J.N. HYDE:** Deputy Premier, let us have a look —

**Dr K.D. Hames:** I am sorry; I’ll stop interjecting.

**Mr J.N. HYDE:** No, please do. I spent the early part of the evening with the Premier at the Perth Fashion Festival. It was fluffy and robust and very ephemeral, so I am glad to be back here at 10.30 in the evening with the Deputy Premier for an erudite discussion on debt to ratio and future fund initiatives.

Let us look at the real picture. I want to paint for the Deputy Premier the real picture about what the government is proposing in this bill and what the government could have had. In 2010–11, the Barnett government collected more than \$4.9 billion in royalties from mineral and petroleum producers in Western Australia, and it used that money to buy us some singing toilets, some plastic cows and a few other things. In Alaska, its state government, which had set up the Alaska Permanent Fund prudently and sensibly, sent every citizen an annual dividend cheque for \$1 100 that year from its royalties. Each Alaskan decides how they will spend their own dividend from the Alaska fund. In addition, the Parliament in Alaska decides what capital expenditure will be paid, and what initiatives will be paid for, out of the fund in Alaska.

**Extract from Hansard**

[ASSEMBLY — Wednesday, 19 September 2012]

p6196b-6221a

Mr Chris Tallentire; Mr John Kobelke; Mr Andrew Waddell; Mr Mick Murray; Mr Peter Watson; Mr David Templeman; Mr John Hyde

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When the Liberal Party came to government in 2008, \$2.2 billion was sitting in the bank. I know it was there, because I and my colleagues tried to get our Treasurer to spend it before the election. We prepaid for the Fiona Stanley Hospital; we also prepaid for the railway line. A lot of our capital investment was prepaid. There was money in the bank. If at any time in Western Australia's history a government would have been establishing a true future fund, which would be starting from a low position of debt, that would have been the time to do it. As well as wasting that \$2.2 billion and not investing in a future fund then, this government has not sensibly invested in infrastructure for the state, and I think that is the core issue in this debate. Yes, it would be lovely to have a future fund—this is a very modest one—that would provide a bit of money in the jar in two or three decades; otherwise, the government should invest now in the infrastructure needs of the state. The demographic of our state is very much one of a young state. Nearly 1 500 or 1 600 people a week are moving to Western Australia, and the majority of them are moving into the central business district and greater Perth. As we all know, those people need schools and hospitals. They are getting only one trauma centre—namely, the one that the health minister and his parliamentary secretary opened at Royal Perth Hospital before the election. It is a wonderful trauma centre, and it is a good decision that the government has backed me by keeping it in my electorate and keeping it at Royal Perth Hospital.

**Dr K.D. Hames:** It's a pleasure.

**Mr J.N. HYDE:** I am not too convinced of the minister's analysis that we will not need a second one at Fiona Stanley Hospital until a date in the future that —

**Dr K.D. Hames:** It's not my analysis. I'd be happier to have one sooner. That's what the experts tell me the numbers are showing is likely to be the case. If it's sooner, we'll have it sooner—whenever the numbers get to that level at which we need a full second unit.

**Mr J.N. HYDE:** As the Deputy Premier would have discovered in his nearly four and a half years in government so far, those needs creep up on a government. Those expectations do arrive, and they are arriving a lot sooner.

**Dr K.D. Hames:** And I'm going to grow that capacity over the intervening years. I'm not going to wait until 2022 to suddenly open a second unit. We'll grow that capacity until we reach a stage at which we'll in fact have a second unit, because the demand will be there. I'm distracting you again; my apologies.

**Mr J.N. HYDE:** No, the Deputy Premier is not distracting me.

**Dr K.D. Hames:** You're getting off the bill. You're using me to help you make your speech.

**Mr J.N. HYDE:** No. This is the core issue of the bill. Does the government put money aside so that in 10 or 20 years it might have \$300 million to build one primary school? That may be the net benefit of this future fund that has been proposed.

**Dr K.D. Hames:** You can't have your cake and eat it, too. You can't on the one hand say that we should be spending more money on doing things and on the other hand criticise us for the level of debt. We've taken what might otherwise have been put to savings and said, "Yes, it's important for us to get infrastructure now; we'll spend it now."

**Mr J.N. HYDE:** How can the Deputy Premier prosecute the argument that this money might have gone to savings when we have \$22 billion of debt?

**Dr K.D. Hames:** It's not \$22 billion; it's actually only \$14 billion.

**Mr J.N. HYDE:** It is the projected figure from the experts the government listens to.

**Dr K.D. Hames:** What I'm saying is that you're using both sides of the argument. Every member has got up and said that we should be spending more money now in our electorates—spending for the needs of today. We've done that. We've done it to the greatest capacity that we can. That is why we're \$14 billion in debt. But you can't just keep going more and more into debt. At some stage, you've got to have some savings to offset that level of debt.

**Mr J.N. HYDE:** We do need another inner city primary school. How can the Deputy Premier say that the government is meeting the needs of the people —

**Dr K.D. Hames:** You want an inner city primary school, he wants roads down in the south, he wants stuff done in Forrestfield, and someone else wants stuff in Gosnells.

**Mr J.N. HYDE:** Welcome to the real world of government where it is all about priorities. This government has set as priorities \$500 million for a waterfront project and an extra \$500 million that it will cost to build a sports

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stadium at Burswood instead of at Subiaco. That is \$1 billion that the government has set as priorities, rather than building a new primary school, the health infrastructure needs of the member for Mandurah and things for other members. I know that the Deputy Premier is getting it from his own side, because he has some very good backbenchers.

**Dr K.D. Hames:** Doesn't it make you wonder whether, when a government in another country has established a future fund, the opposition of the day strongly opposed it with exactly the same arguments that you're putting forward? I wonder whether that might have been the case.

**Mr J.N. HYDE:** I do not accept that at all.

**Dr K.D. Hames:** I think I might try to explore that.

**Mr J.N. HYDE:** If the Deputy Premier looks at the Alaskan future fund, he will see that it had bipartisan support. It was carefully crafted.

**Dr K.D. Hames:** They must have had a very good opposition.

**Mr J.N. HYDE:** I will come to that later. Alaska had a huge inflow of royalties. There have been particular times in our history when we have as well. This is such an important argument that —

**Dr K.D. Hames:** You need an extension already?

**Mr J.N. HYDE:** As the Deputy Premier is not going to make mistakes and keep asking me questions, Mr Speaker, I draw your attention to the state of the house.

[Quorum formed.]

**Mr J.N. HYDE:** As the only member of Actors Equity in the house, I am delighted that I have an audience facing me.

**Dr K.D. Hames:** The member for Mandurah should be a member of Actors Equity because he performs every time he gets up.

**Mr J.N. HYDE:** He should be. He actually was at one stage.

I will now address the point made by the minister that he wanted everybody in the house to listen to. From 1982 through to 2009, the dividend program from the Alaska fund paid out about \$17.5 billion to Alaskans through the annual distribution of the dividend cheques. This program has a significant effect on the economy. The part of the argument that the Deputy Premier does not appreciate about spending money on infrastructure and investment now is that it means local jobs and it means people are spending money in all the shops that the government has now kept open on Sundays. I went to my local Woolies last Sunday. It was very pleasant to shop as there was hardly anybody else there. The government promised thousands and thousands of new jobs. It promised all these economic benefits. If it is taking money out of the economy by not investing in infrastructure now and by borrowing on the credit card to invest in a future fund, there is the economic cost of not only building on our debt now but also losing that economic development, losing those jobs and losing that spending power. In Alaska every year there is the annual dividend cheque. The last one that every Alaskan received was \$1 100. It is a significant boost to the economy and, importantly, a significant boost to the regional economy. The flaw in parts of the royalties for regions funding is that it is not sustainable ongoing funding that enables small business and local enterprises—self-employed people—to grow their own local businesses and to grow their local consumption.

The total Alaskan fund return for 2010 was \$679 million. The argument was put earlier that what the government is proposing in this bill will not stop a future government from changing the rules. By embedding it in the Constitution, as happened in Alaska, we are able to prevent that from happening. The balance of the Alaskan funding in 2010 was \$33.3 billion. The government is proposing that it will transfer \$297 million from royalties for regions to the future fund. An unspent balance of \$97 million in 2009–10 will go in, so it is forecasting that some decades in the future, in effect, all we will be able to spend as a benefit from that fund is money for about one primary school.

The government is talking about current needs not being met as that being, obviously, a decision of government, and it is a question of priorities. I put a question on notice to the Minister for Regional Development about how much funding had been put into arts-related projects through royalties for regions. The answer was that from the significant fund, it was something like \$1.7 million.

[Member's time extended.]

**Mr J.N. HYDE:** Of the 19 projects that applied for funding, only two were successful. If anything irritates me, it is this arm of the government that says, "It is not our procedure to tell you who the unsuccessful applicants are;



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you should put in a freedom of information application.” Then we have the Premier over here saying, “What a nasty opposition; you’re wasting government’s time because you’re always asking FOIs.” If ministers, including the Minister for Culture and the Arts—who I did not see at the fashion festival launch this evening with the Premier; I looked for him —

**Mr J.H.D. Day:** You looked in vain because I was here!

**Mrs L.M. Harvey:** You wouldn’t give him a pair.

**Mr J.H.D. Day:** But I will be at one of the events on Friday.

**Mr J.N. HYDE:** Excellent; I think I am at two, so hopefully I will see the minister at one.

We have the Premier saying, “Don’t put in FOIs; it wastes government expenditure”, and the Minister for Regional Development and the Minister for Culture and the Arts are serial offenders, who say, “Oh, I’m not going to tell you; put in an FOI.” It is a very silly game. We could actually save an incredible amount of money in government by being transparent and providing the information required.

In terms of unmet need, two major arts-based projects were funded under royalties for regions, and 17 were not. I want to find out what those 17 are, because I am being told that there is not unmet need and the government can afford a future fund. I want to be able to say to the regional communities in Western Australia that I know have real unmet need that instead of the government funding the very important arts infrastructure needs in regional Western Australia, the money is being put elsewhere.

One of the successful projects being funded is the Boyup Brook regional centre for country music, which is a really, really good project. Having attended a number of Boyup Brook country music festivals —

**Mr R.H. Cook:** You are committed to your portfolio, aren’t you?

**Mr J.N. HYDE:** I am—this was before politics.

**Mr D.A. Templeman:** Is that when you used to sell those icy things?

**Mr J.N. HYDE:** The shaved ice it was. I remember that Adam Brand came up at Boyup Brook —

**Mr D.A. Templeman:** You made quite a lot of money on the shaved ice, didn’t you? Enough to put into the future fund anyway!

**Mr J.N. HYDE:** I actually am one of the few people on this side who has a small business background and had to rely on, like the member for Swan Hills, the dollar bills—the cold hard cash coming over the counter into the cash register. When I was selling ice, it was very wet; it was cold, cold cash I was dealing with! It is thirsty business at country music festivals in the summer, and, member for Mandurah, they did like to buy beautiful shaved ice—GM-free it was, too.

**Dr K.D. Hames:** Your time is going awfully slowly.

**Mr J.N. HYDE:** The Deputy Premier said at the beginning, “Look, I don’t want you to talk about your own electorate because others have”, so I think I should, in closing, speak about my own electorate. I want to paint the real picture of the infrastructure needs and what the government will be able to deliver. Very fortunately, the people of North Perth, in my electorate, have not been deluded by the government announcement of a light rail project. They have been able to look behind the lines and realise that there are no lines for light rail to run on, there is no funding and there is no agreed route for the light rail. The Lord Mayor has very sensibly joined the debate and it is about the specifics. It is like motherhood; the government is saying, “We’re going to put in light rail”, without saying when, how much it will cost or where it will go. It is creating an air of expectation but it is not able to deliver. The government is not able to deliver it if the real priority is to establish a future fund that is, in fact, a mythical fund because the future fund will never be able to deliver a \$2 billion light rail extension or track, be it to the airport, which is sorely needed; be it through the northern corridor, which is sorely needed; or be it into the south east corridor.

It really concerns me the way the government is neglecting Serpentine–Jarrahdale and the growth corridor beyond Armadale. I think it is a very neglected part of the metropolitan area. I am quite staggered that the electorate of the member for Darling Range, who has part of Serpentine–Jarrahdale —

A government member interjected.

**Mr J.N. HYDE:** It is one of the equivalent huge growth areas in this state.

**Mr D.A. Templeman** interjected.

Mr Chris Tallentire; Mr John Kobelke; Mr Andrew Waddell; Mr Mick Murray; Mr Peter Watson; Mr David Templeman; Mr John Hyde

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**Mr J.N. HYDE:** People there do not see it quite that way.

**Dr K.D. Hames** interjected.

**Mr J.N. HYDE:** In terms of one of the fudgy things the government has done, under the definition, so that people are eligible for part of the fuel card and other benefits, they are suddenly part of regional WA, but Mandurah is not. The government has made very funny decisions there.

**Dr K.D. Hames:** Some of Mandurah is.

**Mr J.N. HYDE:** However, the crux of this issue is the huge growing demographic there and not only people moving there for a tree change but also young married couples with needs for schools and other infrastructure. An area like that has huge infrastructure needs at the early stage. People there do not want to know that in 20 or 30 years, when their kids may be leaving university or starting their own homes, that the government will have money to build a proper primary school or another high school. They want all that investment now, with the light rail extension into the area now so that it can help property development and the property sector and enable private enterprise to do what it does very well. Perhaps other small business people may move there and set up a store selling shaved ice and other things that keep this state turning over.

The other unfunded promise in the budget is the Museum. The government suddenly said it would build a museum, but when we looked in this year's budget there was not a brass razoo in it.

**Mr J.H.D. Day:** Rubbish. You obviously can't read a budget.

**Mr J.N. HYDE:** In the forward estimates, there is a promise of \$140 million or \$160 million in planning—the forward estimates that the Premier says are the never-never; they do not exist.

**Mr R.H. Cook:** They don't matter, don't need anything.

**Mr J.N. HYDE:** The government is selling a concept; it has \$5 million in planning money it says it will spend this financial year on the Museum so that, technically, the government cannot be done for defamation or libel for saying it has paid for a museum. It would barely cover the front door and a doorknob.

**Mr J.H.D. Day:** When your government announced you were going to build a museum in East Perth, and you had money in the forward estimates, it meant nothing did it?

**Mr J.N. HYDE:** No. We were so —

**Mr R.H. Cook:** We stand by the forward estimates; it is you who disown them.

**Mr J.N. HYDE:** We were so —

Several members interjected.

**Mr J.N. HYDE:** That is right; it is very unparliamentary. Please take a point of order if you would like to, Deputy Premier.

The point was that that the \$500 million was a real \$500 million that we were not spending on anything else. Our belief in government was not only that the forward estimates meant that we had to have money to pay for it; we had that \$2 billion of surplus there and thought that people would praise a government that had \$2 billion in the bank for being a prudent and well-managed government.

**Mr J.H.D. Day:** The reality is this government is building a new museum. If Labor happened to be elected next year, it will not happen. That is what you have said.

**Mr J.N. HYDE:** No. Go up there; it is in my electorate. That is a 15-year park. The government has created a lovely lawn, a nice fence and few shrubs. That is not a building site.

**Mr J.H.D. Day:** In three years' time that will be ripped up.

**Mr J.N. HYDE:** No, the minister is saying he is building a museum. It is not a building site. It is a lovely, lovely park.

**Mr J.H.D. Day:** Aren't we a good government by providing good space for people to use for the next three years?

**Mr J.N. HYDE:** It is for the next 20 years, but he is telling people he is building a museum.

As I have said in other debates and I do not want to be distracted in this one, I will bet a Labor government will build the new museum before the minister or his successor does. That is the reality.

**Extract from Hansard**

[ASSEMBLY — Wednesday, 19 September 2012]

p6196b-6221a

Mr Chris Tallentire; Mr John Kobelke; Mr Andrew Waddell; Mr Mick Murray; Mr Peter Watson; Mr David Templeman; Mr John Hyde

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Northbridge theatre, the first theatre infrastructure since Sir Charles Court—a Labor government. Have members seen the lights on at Perth Arena tonight? The minister has probably been inside, unlike the local member who has not even been afforded a visit to one of the major pieces of infrastructure in his electorate.

**Mr J.H.D. Day:** You oppose everything that is happening in the Perth city centre. You oppose the waterfront development. You oppose where the stadium is going.

**Mr J.N. HYDE:** You are digging a hole at the waterfront. The stadium is \$500 million more than if it was built at Subiaco. Perth Arena is great. The new Northbridge police station that we started is great. Northbridge theatre, which the minister opened, is great. There are a number of excellent pieces of infrastructure that have happened in my electorate. People in my electorate can see that this government is CBD-focused when the crying need of infrastructure is a new primary school; it is not addressing that.

**Mr J.E. McGrath:** The Polly Farmer tunnel we ran through your electorate.

**Mr J.N. HYDE:** No, you ran it underneath.

Let us remember probably the greatest planning minister this state has ever had, Julian Grill, and the proposal for a Ramblas-style, double-road walkway on the top there, instead of being car-centric. What is the Northbridge tunnel costing each year to fix up? It has been closed three of the last four nights and on the weekend.

**Mr J.H.D. Day:** Usually infrastructure needs maintaining occasionally.

**Mr J.N. HYDE:** Occasionally?

Anyway, I think I have outlined my points, and I do thank the members who have stayed here to listen. I hope that they think clearly when voting on this, because they have not established a valid economic or development case for a future fund.

Debate adjourned, on motion by **Dr K.D. Hames (Leader of the House)**.

*House adjourned at 10.53 pm*

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