

**Extract from Hansard**

[ASSEMBLY — Tuesday, 15 May 2018]

p2749b-2797a

Mr Ben Wyatt; Mr Tony Krsticevic; Mr Vincent Catania; Mr Terry Redman; Mr Peter Rundle; Mr Shane Love; Dr Mike Nahan; Mr Bill Marmion; Ms Libby Mettam; Mr Kyran O'Donnell; Dr D.J. Honey; Dr Tony Buti; Mr John McGrath; Ms Cassandra Rowe; Mr Ian Blayney

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**APPROPRIATION (RECURRENT 2018–19) BILL 2018**  
**APPROPRIATION (CAPITAL 2018–19) BILL 2018**

*Declaration as Urgent*

On motion by **Mr B.S. Wyatt (Treasurer)**, resolved —

That in accordance with standing order 168(2), the Appropriation (Recurrent 2018–19) Bill 2018 and the Appropriation (Capital 2018–19) Bill 2018 be considered urgent bills.

*Cognate Debate*

Leave granted for the Appropriation (Recurrent 2018–19) Bill 2018 and the Appropriation (Capital 2018–19) Bill 2018 to be considered cognately, and for the Appropriation (Recurrent 2018–19) Bill 2018 to be the principal bill.

*Second Reading — Cognate Debate*

Resumed from 10 May.

**MR A. KRSTICEVIC (Carine)** [4.30 pm]: It is with a heavy heart that I get up today to make a contribution on the Appropriation (Recurrent 2018–19) Bill 2018 and Appropriation (Capital 2018–19) Bill 2018. I will not stand for the next half an hour and talk about the \$720 increase in fees and charges over the last two budgets that have hit struggling mums, dads and families. I will not talk about the 13 times the rate of inflation increases in those rates and charges. I will not talk about the hardship utility grant scheme funding being under stress, and families needing that more than ever before. I will not talk about the 6.9 per cent unemployment rate—the highest in the last 16 years—and the lack of direction or economic drive being delivered by this government. I will, however, use this time to talk about my portfolio of local government and raise some issues and concerns within that area. If I get time, I will go back to the budget in more detail.

I want to start by referring to 24 April 2018, the date when the Minister for Local Government finally issued the notice of an inquiry panel into the City of Perth being appointed, and Anthony Power taking on his inquirer role from 1 May, supposedly with a reporting date of 2 May 2019. I will find it staggering if he is able to achieve that target for that report, because, as we know, the City of Perth has many issues and there are layers of complexity, many of which have not been explored in any real depth over a long period. If members look at the notice, as has been issued, the inquirer will be looking at everything between 1 October 2015 and 1 March 2018 inclusive. It also gives him the power to go back in time further than 1 October 2015 un-vetted. Interestingly enough, the inquiry notice does not include 2 March 2018, and we know that the council was officially suspended at 3.30 pm on 2 March 2018. I find it very unusual and odd that the minister issued a notice saying, “You can go back as far as you like from 1 March 2018, but leave 2 March alone; you cannot look at 2 March.” This is the case even though, as we know, when the minister made the announcement on 2 March, he indicated that it had come to his attention that a councillor or councillors had been removing boxes from the City of Perth on 2 March in contravention of notice 17. I will look at that in a little more detail as we go on.

This inquiry has been allocated \$2.4 million, and assuming that the inquiry panel makes findings against the City of Perth, under section 8.27 of the Local Government Act 1995, some of that money can be reimbursed against the City of Perth. I have no doubt in my mind that a lot of that money will be reimbursed to the state government because it will no doubt make a lot of findings if it looks into matters appropriately. I am also disappointed that when the 2 March matter was brought to the minister’s attention, he said, “If Tony Power asks me, I will give him permission to look at that date as well”, as opposed to saying, “I’m sorry; I made a mistake. I should’ve included 2 March; I will just fix that up and make sure he looks at that.” Obviously he is giving Mr Power the choice about what he investigates and which areas he looks into. I will make sure that I will try to direct him as much as possible or encourage him to look at areas within which I have concerns.

Paul Murray recently wrote an article on 28 April 2018. He has written a number of articles about the City of Perth, but as a result of one of those articles, I sent him an email asking for access to some information he may have had to put those articles together. He provided that information to me. One of the interesting things that Paul Murray, who is on top of these matters, asked the minister was as follows —

13. Will matters such as the propriety of the presence of a member of the council’s executive (Ms Battista) on the board of Activate Perth, which was founded by Perth Labor MLA John Carey and acts as a political lobby, be within the scope of the inquiry?

Of course, the minister replied that it is up to Mr Power whether he wants to investigate any political link and political moves.

In Paul Murray’s article of 28 April 2018, he states that he estimates that Tony Power will not be able to complete this inquiry in that time. But he also states that there is an unreleased report from Jackson McDonald about staff

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unrest, and obviously there is the McLeods report into the activities of then Deputy Lord Mayor, Jemma Green, and how she went about instigating the Freehills report. He also stated in this paragraph —

However, it would be a mistake for Power to take the view that the McGowan Government itself had no involvement in the dysfunction that played out at the city since its election last year or that the Labor Party was not actively undermining Scaffidi and encouraging her opponents beforehand.

It is interesting that he is of the opinion that political interference was running rife at the City of Perth on behalf of a number of members of the Labor Party. The article continues —

It clearly didn't suit Labor when Harley failed in his bid to topple Scaffidi at the mayoral election on October 17, 2015, shortly after the CCC report into her travel issues.

Harley plays down his Labor links, but he worked for several of the party's MPs and is close to Carey, a former Vincent mayor. Harley's mother, a longstanding union activist, was Carey's deputy. He is also supported by MacTiernan, another former Vincent mayor.

As we can see, there are some very close links with the Australian Labor Party and the City of Perth and a number of those people are intertwined. I read with interest Josh Zimmerman's article, his exclusive in *The West Australian* on 29 April 2018, in which he talks about some past events regarding heritage and administrative matters. It is interesting to note that from what I am led to believe, he was given information from certain people from the City of Perth about where he needed to go and what questions he needed to ask so that his story would have the right bent, according to what they wanted to have that story reflect. It is important for the commissioners and for Tony Power to ensure they are on top of the issue and the underlying currents at the City of Perth. Just because the councillors have been moved to the side does not mean that there are not staff in there who may still be participating in assisting, whether it be the government or others, to get information out. That will be a bit of a concern.

The minister made a big deal about the City of Perth and its issues, and the Premier and the minister were saying how dysfunctional it was for many years. I asked question on notice 2921, because I wanted to know how many times the minister or ministerial staff had met with the City of Perth in the last 12 months. The response reads —

... the Minister and ministerial staff had only met with the Perth City Council on one occasion, Wednesday 28 February 2018, to advise the Minister's intention to suspend the Council.

In the whole time that the minister has fulfilled this role and that this government has been in power, they have not met once with the City of Perth council. I find that astonishing. I then asked a similar question about the department. I thought: the minister is not doing his job; he is not showing any interest in the City of Perth, our capital city, and the most important local government, which obviously had a lot of issues when he was elected to government. When I asked a similar question about the departmental staff—although I went as far back as May 2015—and how many times they had met, the answer read —

I am advised that the Department has not met with the Perth City Council.

The minister and his department did not show one bit of interest to meet with the City of Perth council to discuss their concerns and issues. I thought I might ask whether the minister had met with any individual councillors. I asked —

Since 17 March 2017 has the Minister or any Ministerial staff had any contact with Councillor Reece Harley ...

The response that came back stated —

As at 17 March 2018, there has been contact with Councillor Reece Harley, City of Perth by the Minister and ministerial staff.

The purpose of those contacts —

It was not just one contact —

was to discuss issues relating to the State Government and the City of Perth.

Obviously, there were other incidental discussions. Okay, the minister and his staff did not meet with the City of Perth, but they did meet with Councillor Reece Harley. I asked a similar question on notice about whether the minister or his staff had met with Councillor Dr Gemma Green. I received a similar response —

... there has been a number of contacts with Councillor Dr Gemma Green, as councillor, Deputy Lord Mayor and fulfilling the role as Lord Mayor, by the Minister and ministerial staff.

The purpose of those contacts was to discuss issues relating to the State Government and the City of Perth.

It is interesting how the minister and his staff could meet with select councillors, but not with the entire council. I did not think a minister in this Parliament would be so foolish to not meet the councillors of the City of Perth

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when so many issues were going on in that council, but would be happy to meet individual councillors selectively. Of course, we have no idea what was discussed at those meetings and what issues and information were passed on.

I might touch on the last dying days of the City of Perth. Members would remember that a special council meeting was called for 27 February 2018 basically to get rid of the chief executive officer and to put Annaliese Battista in the role of CEO. We all knew about that meeting. I thought I would go along and have a listen. I thought that maybe the minister would come along because it was an important meeting in the dying days of the City of Perth. Obviously, he had not yet made his decision about what he was going to do with the council. I went along to this meeting, it started at five o'clock and there was only one item on the agenda effectively. There was a procedural motion on the agenda and the council had to make an amendment to the procedural motion. Councillor Hasluck had put in an amendment to his procedural motion at 3.23 pm on that day. When the meeting started, Councillor Jim Adamos asked whether Councillor Hasluck could explain the motion and his amendment to that motion. Of course, Councillor Hasluck just stared into the abyss, then he stared at Councillor Harley and then he stared at Councillor Green. He said that he did not need to explain the motion, he had put the motion and it just needed to be voted on. Councillor Harley said, "Let's stop with the questions. Let's just vote." Again, this issue was pressed. The councillor said that the council deserved to know what the motion was about and what the amendments to it were. It seemed very strange to me that Councillor Hasluck refused to explain what his amendment to his own motion was. At the time, Councillor Hasluck indicated that it was a very simple amendment. He said that he did not have information at hand to talk about his amendment or the motion itself. That was very, very strange and I for one was left scratching my head. Afterwards, I asked what the motion was. Supposedly, it was a very simple motion. It made a small change to the original procedural motion, but people had the impression that Councillor Hasluck did not know what procedural motion he was moving or what the amendment was because it was not his and he was doing it on someone else's behalf. He was looking at other people in the room for guidance or to jump in and explain it, but they did not.

That motion eventually got through and the meeting went on to try to appoint the director, Annaliese Battista, to the role of CEO. When the meeting got to that point, the governance manager asked whether anyone had written advice from her accepting that position. Of course, no-one had any written advice. Annaliese Battista was on leave and had not said whether she wanted the job. The council said that they wanted to give her the job. They postponed the meeting three times. I think it was probably about 45 minutes in total over those three occasions was spent trying to ring her. Every time they came back and said that they could not get in touch with her. Councillors Harley, Green and others said, "We have to postpone the meeting again" to make sure that they could try to get in touch with Annaliese Battista so that she could accept the role of CEO. It was very, very unusual in the way it all went.

I will not talk about that anymore; I will go on to the events on the Wednesday. On Wednesday, 28 February—that is the day the minister called in the councillors to have a chat with them—I understand that certain councillors were going around and telling other councillors that they had no problems, it was all fine, it was all under control and they had been given information that the council would just get a slap on the wrist and there would be no serious consequences. On that day, they were also preparing to call a special council meeting for Monday, 5 March. Obviously, that was a public holiday. When it was pointed out that that was a public holiday, I believe they had the City of Perth make inquiries as to whether they could hold this special council meeting on the public holiday Monday, because at that stage they still believed they would not be suspended. The purpose of that meeting was to get rid of Martin Mileham as the CEO and, from what I am led to believe, to pass a motion to cover their legal expenses. Obviously, the minister put an end to that party when he called them in on the Wednesday and told them that he was looking at potentially suspending them with a show cause notice and/or suspending them entirely. Even after that meeting, councillors still did not believe the minister, because I understand that they were still trying to organise a meeting for the Thursday. They could not do it on the Monday, because technically they did not know what would happen on Friday, so they said, "Let's do it on the Thursday. Let's have a meeting, so we can get rid of Martin and put Annaliese in that role and do the motions that we want to do." Obviously, it was exposed publicly that that was going on and that idea came to an end and that meeting never happened.

On that Thursday, the minister also issued directions notice 17 to try to make sure that no documents, or information, were removed from the City of Perth. On that Thursday, at 1.28 pm, security was put on the tenth and lower ground floors. Two compliance officers and three security guards were on the tenth floor and one compliance officer and two security guards were on the lower ground floor. Councillors were searched and they were not allowed to remove any documents. There were real issues there. Funnily enough, on Friday, 2 March an email was issued by the new acting CEO, Annaliese Battista, saying that no security would be required on Friday. There was big security on Thursday, but no security on Friday. The minister indicated that a councillor had been seen removing documents. I understand that that was Councillor Reece Harley. A councillor was also seen to be shredding documents. All these things are in contravention of the notice 17. I would be interested to know whether that was the case, whether these documents were shredded and why security was taken away.

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[Member's time extended.]

**Mr A. KRSTICEVIC:** I know from the information I have that it was the acting CEO who removed that security. That is a very big concern.

I want to quickly touch base on the Corruption and Crime Commission report. Members would know that in those dying days councillors were reporting each other to the Corruption and Crime Commission with bribery allegations and all sorts of reports on the position of the Acting Lord Mayor. I believe that the CCC report states that there is no direct evidence other than that of the two participants. Obviously, this refers to Councillors Reece Harley and James Limnios, who were accusing each other of various things. The CCC indicated that all those accusations were quite serious. Other members of the council said that they had heard Councillor Harley tell them these things and that this had occurred. When the CCC investigated, there was no evidence apart from the information of those two individuals on what had transpired during those occasions, but obviously that indicates to us that one of the two councillors was not being honest. They were making accusations against each other, so they were either both dishonest or one was dishonest to the CCC. Ultimately, that is all that we can garner from that report.

It has come to my attention again, and I would not mind if Tony Power looks into this, that at the time this was happening Councillor Limnios advised his solicitors to take defamation action against Councillor Harley. I believe that defamation action has ceased. The action was ceased because Councillor Harley issued a letter of apology to Councillor Limnios and paid him some compensation. I do not know what that means in the context of the CCC report. I am not a legal expert, but I think that needs to be looked at to see whether a letter of apology was given and what that letter states, and whether compensation was paid and for what reason. Ultimately, we can see very clearly from these events that somebody was not telling the truth. The fact that these things have occurred raises issues. There may be nothing there; I do not know. But it seems very strange that that is the case.

I also want to talk about the dying days of the City of Perth council. People might remember that the last council meeting was on 19 December 2017, and at that meeting a decision was made to give \$300 000 to an organisation called Historic Heart of Perth, which no doubt had been the subject of debate over many years by the City of Perth. A motion was moved to effectively take away \$300 000 from concert hall repairs. It did not go through the budget process. This was all happening while the Freehills investigation was going on. People may not be aware that Historic Heart of Perth is linked to Adrian Fini. He was part of the process about which Jemma Green made certain accusations and that created a ripple effect down the track. The interesting thing here is that Jemma Green moved a motion to give Historic Heart of Perth \$300 000. On the surface, it is fine that she moved that motion, but if we dig a bit deeper, we find that Adrian Fini, through the FJM Property group, is involved in the development called Knutsford in Fremantle. That is an urban infill program and FJM is the leader of the consortium. Jemma Green, through her company, Power Ledger, is involved in that project. Power Ledger is providing a transactional layer for the renewable assets on the project. Jemma Green, the Deputy Lord Mayor of the City of Perth, moved a motion to give \$300 000 to Historic Heart of Perth while she was involved in direct business interests with the Fini Group, which is linked to Historic Heart, and there was no declaration of any conflict of interest. On the surface, when I look at the documents, it seems very strange to me. I have never been a councillor, but I would have thought that if a councillor was doing business with someone and at the same time they moved a motion to give them \$300 000, they might want to say or declare something. That is an interesting point that I think needs to be looked at by Mr Power, and the commissioners need to review that part of the process. It is interesting to note that on 14 July 2017, Jemma Green was appointed as a director of the Water Corporation by the Labor Party. Again, I am not sure what links, if any, are there, how strong they are and what that means. The council was suspended. She obviously did not do a good job as Deputy Lord Mayor. There are these links with Historic Heart and she is making financial decisions while not declaring conflicts of interest, but of course, she is fine to be a director of the Water Corporation. The Water Corporation website still lists her as Deputy Lord Mayor of the City of Perth and co-founder of Power Ledger. Again, all those things are linked with the Knutsford development and Historic Heart. That is another area that raises concerns for me and it needs to be looked at in a little bit more detail.

Paul Murray's article referred to Activate Perth, which is the brainchild of the member for Perth. I think he had a similar thing in the City of Vincent. The organisation is very interesting if we look at it. It is meant to be this community group that is all about activating the City of Perth and bringing on board all these ideas, and on the surface there is nothing wrong with that. Paul Murray indicated that it was a political group or an activist organisation on behalf of the Labor Party. Paul Murray is a very respected journalist, so who am I to argue with him? A whole range of directors make up that organisation; there are 12 directors. The ex officio members of the organisation raised my eyebrows. As we would expect, one of them is the member for Perth, because he set up the organisation and it his brainchild. It is there to help him get re-elected; no doubt that is the purpose that it serves. But who is the other ex officio member? It is Annaliese Battista, a director at the City of Perth, who was put in as acting CEO. There seems to be a very convenient link and her name seems to pop up in lots of different places and

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in photos with John Carey and others. It is interesting to note that that is the case. As the member for Perth has indicated, he is very good at setting up Labor councils. He indicated in this chamber the other day that the City of Vincent was a Labor council that cut red tape and helped small business. I hope he is not on a quest to try to make the City of Perth a Labor council—not just the councillors themselves, but potentially the directors and staff. If that is going further through the City of Perth, it is a bit of a concern. I think Tony Power has his work cut out for him.

As I said before, the minister and his staff have had no meetings with the City of Perth councillors. They did have a couple of meetings with individuals. On 12 September, the minister met with James Linnios, the then Deputy Lord Mayor. It was the introductory meeting of the acting Lord Mayor. On 12 October, there was a City of Perth committee meeting, but, again, one of the only people there was Councillor James Linnios. There were of course other people there such as the Premier, the Minister for Local Government, the member for Perth, the CEO of the City of Perth and the chief of staff of the minister. On 20 November, the minister met with Jemma Green; it was just an introductory meeting to say hello. On 20 December, he again met with Jemma Green at a City of Perth committee meeting. The meetings with councillors and staff from the City of Perth were very sparse and few and far between, and obviously served different purposes.

I want to quickly touch base on the Freehills report. Paul Murray wrote an article on 7 March 2018 effectively indicating that there was nothing there to see. He had obviously received a copy of the report. He indicated that there were smoke and mirrors. The article states —

‘Mr Fini interpreted the Lord Mayor’s reference to the car park opportunity as an offer of improper benefit.’

That is what Jemma Green said. An adjoining article by Gary Adshead states —

“Neither the Lord Mayor nor Mr Mileham sought anything of value from Mr Fini at either meeting. Indeed, it was Mr Fini who was seeking financial support from the City for Historic Heart.”

Historic Heart is a not-for-profit group. The article states further that in the absence of them being there and Jemma Green being the acting Lord Mayor, Historic Heart got \$300 000. Nowhere in the details of the Freehills report, as given by Paul Murray, does Mr Fini make any accusation that there was anything corrupt going on. It was ifs, buts and maybes and statements like “My interpretation was that it may have been this way.” The fact that Jemma Green then used council funds to the tune of nearly \$30 000 to do a witch-hunt against, first, the CEO and then the Lord Mayor needs to be investigated. I believe that the McLeod report goes into that in some detail and highlights the indiscretions of Jemma Green. I think that is why the minister is so protective of the report and he is saying that it is not appropriate to issue it because there is an investigation going on. I agree with him on that point, but it is interesting that the information from the Freehills report, which is probably the most controversial of the two, has been leaked. It is available through the newspaper articles written by Paul Murray and Gary Adshead. It is important that the outcome of the McLeod report comes out, because it is critical information to find out why we have ended up where we have and to make sure that the issues around the City of Perth are investigated in their entirety. As I have outlined, there are a number of areas for Mr Power to look into, whether it be security breaches on Friday, 2 March; the issues of the Corruption and Crime Commission report; the interesting donation of \$300 000 in the dying days of the City of Perth council; and that a director is an ex officio member of a community group that, according to Paul Murray, seems to be a Labor front for pushing its ideas and agendas. In that respect, there are so many areas of concern and the minister needs to lift his game. The minister has been caught sleeping at the wheel consistently since he became minister. He has not really taken his job seriously. He has introduced three bills into this Parliament and two of them were from the former government. The only bill he has introduced of his own accord is the Local Government Amendment (Suspension and Dismissal) Bill 2018, to which he has now moved an amendment. We were told more than 12 months ago that that bill was a priority. The minister has just introduced that bill, and it is still on the notice paper, after all this time. That is how serious and important that piece of legislation is. The minister has sat on his hands. He has had plenty of opportunities. The minister said in September last year, during the estimates debate, that he would introduce that bill in the following week. That bill is still on the notice paper, with no urgency. The way it is going, that bill will not be debated until next year, unless the minister decides to start doing some work. I am not sure what else the minister is doing. He is obviously not bringing legislation to this Parliament.

**MR V.A. CATANIA (North West Central)** [5.00 pm]: I also want to contribute to the debate on the Appropriation (Recurrent 2018–19) Bill 2018 and Appropriation (Capital 2018–19) Bill 2018. What a budget this is! We only need to look at where we were in 2016–17 and where we are today in the 2018–19 budget and beyond. I said at the start of this year, and I will keep saying it, because this will become a self-fulfilling prophesy, that this government has only a three per cent margin. That means that the government will lose eight seats at the next election. The polling over the last few months shows that the government has an average margin of only six per

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cent. That means there will be a change of government at the next election. That is where this government is heading.

During the debate today on the matter of public interest moved by the Leader of the Nationals WA, the arrogance that was shown by the Labor Premier of Western Australia was remarkable. The Premier could not even tell this Parliament how much the Country Age Pension Fuel Card is worth. That pretty much sums up the Premier's understanding and knowledge of regional Western Australia. The Premier tried to close down Schools of the Air. That resulted in a huge public backlash. I held a rally in Karratha in front of the office of the member for Pilbara. I also held a rally in front of the office of Hon Darren West, a member for Agricultural Region. He does not like to have a "Save Moora College" sticker on his car, but I will proudly display my sticker. I held a rally in Kalgoorlie in front of the office of Hon Kyle McGinn, a member for Mining and Pastoral. We were able to get a thousand people to those rallies, a couple of days before Christmas. That set the tone for how important Schools of the Air are to not only regional Western Australia, but also the whole of Australia.

**Mr W.R. Marmion:** A lot of those people were from my electorate.

**Mr V.A. CATANIA:** It is important to people all over Australia and all over the world. The Premier underestimated how many lives have been touched by Schools of the Air and how many people know someone whose life has been touched by Schools of the Air. Schools of the Air are iconic, just as the Royal Flying Doctor Service is iconic to Australia, and particularly Western Australia. I heard today in Parliament, and I heard it on Friday in Carnarvon from the Minister for Regional Development's mouth, that the cuts to Schools of the Air will affect only 200 people. I heard also that Moora Residential College does not warrant increased investment because it has only 30 students.

**Mr D.R. Michael:** It has 26.

**Mr V.A. CATANIA:** It has 26! See! It is a numbers game on the other side! It is like a factional meeting or a caucus meeting of the Labor Party—they count the numbers before they go in. That is what it is like when it comes to regional Western Australia. When we talk about Schools of the Air, we are told it has only 200 students. When we talk about Moora Residential College, we are told it has only 26 students.

I come now to aged care. A concerned senior citizen in Carnarvon asked a question of the Minister for Regional Development about aged care in Carnarvon. This government has cut the funding for the new aged care facility in Carnarvon from \$16.6 million to \$10.5 million. That will reduce number of beds from 38 to 21. It will probably be only 19 beds in the end. The response from the minister was that only 14 people are currently residing in Poinciana Lodge, and only 13 people are on the waitlist. Forget about the people who have bypassed the system because they know they cannot get a bed in the town in which they have lived all their lives and the town in which they want to end their life and have gone elsewhere. How does the minister justify that by saying only 13 people are on the waitlist? It is not only the 26 students who are currently at Moora Residential College; it is the 26 students the year after that and the year after that. We are talking about hundreds, if not thousands, of students who go through Moora Residential College. Thousands of students go through our camp schools. Regional education plays an important role in the fabric of our society. However, the Premier is so humbugged—if that is the right terminology—on the numbers game that all he can say is that if we do not have the numbers, we do not deserve to have the infrastructure and the services.

**Mr W.R. Marmion** interjected.

**Mr V.A. CATANIA:** He does not want another backflip. In this instance, people do not care. People want politicians to do their job. They want government members to reflect what the community is saying. That is what happened with Schools of the Air. It gained traction in Perth, and nationally and internationally. Moora college and the camp schools are now also starting to gain traction. When I drive around my electorate, I see "Save Moora College" signs everywhere. People who happen to be former members of the Labor Party are openly saying that the Premier has got this wrong and the Labor Party has lost its way. They are proud to have a sign in front of their house or a sticker on their car saying "Save Moora College". I think 12 or perhaps 13 members fall within that six per cent margin and will lose their seats at the next election. One of the reasons they fall into that danger zone is the regional education cuts, which have an impact not only in our electorates but also across Western Australia.

It is easy to say this is a boring budget. It is not a boring budget. This budget is decimating regional Western Australia. This budget is hurting the hip pockets of people across Western Australia. The government has increased taxes and charges by over \$1 000 for every person in this state. It has cut jobs in the public sector. It has basically halted spending across the board. It is easy for the government to balance the books when it is not spending money, is sacking people, and is increasing taxes and charges for the mums and dads of this state. This government is hitting everyone's hip pocket—with the exception of the people who should be paying a bit more

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so that the mums and dads will not have to pay an extra \$1 000 a year. This government had no plan when it came into office. It promised the world. It promised to keep royalties for regions. The government is keeping royalties for regions. However, the government has started to change the name. What is it called now, member for Warren–Blackwood? What is the government calling royalties for regions now?

**Mr D.T. Redman:** Something else!

**Mr V.A. CATANIA:** “Something else”! It is now “Investing in regional Western Australia”. The game for the Labor Party is how to get rid of “royalties for regions” because it believes royalties for regions is a National Party branding exercise. When the Labor Party makes media announcements and puts up signs there is now no mention of royalties for regions; it is all part of general revenue and investing in regional Western Australia. Well, I cannot see that investment.

One of the biggest losers out of this and the budget before was the electorate of North West Central. Aged care funding has been cut. On Friday a concerned senior citizen asked a question of the Minister for Regional Development. I have spoken in this place about the Labor government’s deferral of a project that was fully funded under royalties for regions. Funding of \$1.5 million had been spent on clearing the site and preparing detailed design plans. It was ready to go to tender, but the new government came in and deferred it after committing to it during the election campaign. It cut the funding by \$5 million, and reduced the amount of beds. It has created an argument in the community, fuelled by a couple of people on the shire council, about whether this aged-care facility should be at the hospital site. That question was asked of the Minister for Regional Development, even after the council voted to keep high-end aged care at the Carnarvon Hospital site. I believe a letter has been sent to the Minister for Health. The Minister for Regional Development could not even confirm that this project will go ahead on the site that has already been cleared and is ready to go at the Carnarvon Hospital site, and said that only 13 people are on the waiting list. That is the attitude that we have. That is what is coming through.

Everyone used to hold Hon Alannah MacTiernan in high regard. She has been a close friend of mine, but —

**Mr K. Michel** interjected.

**Mr V.A. CATANIA:** Yes, member for Pilbara, who has been here for five minutes! I do not want to get hijacked into telling you what a good job you are doing!

Several members interjected.

**Mr V.A. CATANIA:** People are saying they cannot even be bothered with the Minister for Regional Development anymore. They are not even having the conversations. When it comes to agriculture it is about banning live exports. People in agriculture are saying, “Hang on a sec; who are you representing? Who are you trying to help out here?” They are really, really concerned. The Labor Party says it is all about regional development, but it cuts aged-care funding. It will not fund the One Mile Jetty that is important for regional development, tourism and jobs. It is the same for Esperance Tanker Jetty—“Oh no, we can’t; it is about budget repair.” It is all about budget repair. But the Premier stands in Parliament and spouts about the things that the government is doing in Perth. I do not hear “budget repair” when he talks about metro projects —

**Ms L. Mettam:** Or Bunbury.

**Mr V.A. CATANIA:** Yes, Bunbury. Perhaps that is why the member for Bunbury sold his soul and now criticises regional development and royalties for regions. He was part of it! I wonder which project you would not have in the seat of Bunbury?

**Mr M.P. Murray:** He used to work for the National Party!

**Mr V.A. CATANIA:** Here he comes! He is alive! I thought you may have left us, member for Collie–Preston. I am glad the member has had longevity in this place and been able to achieve something for his electorate. Perhaps that is where my aged-care money for Carnarvon has gone! Perhaps that is where my \$12 million out of Carnarvon Community College has gone!

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

**Mr V.A. CATANIA:** I cannot hear the member—I might need a hearing aid as well!

It is disappointing that someone who had a very good reputation in the regions—namely, Hon Alannah MacTiernan—I think has well and truly lost that. In all honesty, I say that people are not bothering anymore because they know they will not see anything. They are actually counting down. This is the danger for members opposite, especially the four sitting who are all captured under that six per cent margin. The danger is that people are already turning off the Labor Party. They already have in their minds that this government is not particularly working for regional Western Australia, as it clearly is not for Perth judging by the polling. Why? Because of the arrogance portrayed by the Premier on issues such as Moora college, Schools of the Air, camp schools and agricultural colleges,

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boarding away from home and aged care in regional areas—the list goes on. The Premier talks about how \$2 billion will be spent on roads. It is probably all rebadged royalties for regions funding that has been taken out of the Main Roads Western Australia budget to do something in Perth called Metronet. We all know that. We all know how it works. Billions of dollars have been taken out of regional Western Australia and put into these departments to fund other projects like Metronet in Perth. That is clearly what is happening.

The government is talking about \$2 billion worth of roads. Around my electorate I cannot see one road that has been funded. The Wiluna–Meekatharra Road had \$60 million all drawn up and ready to go, and it has been taken away by the government. The only road I can see funding for in my electorate is the Karratha–Tom Price road—\$50 million for 25 kilometres! There are still 200 kilometres to go! It will never be sealed with \$50 million of funding.

**Mr K.J.J. Michel:** Yes, well you never did anything! You never filled anything!

**Mr V.A. CATANIA:** Do you know why? Because we put that money into Tom Price Hospital and Paraburdoo. What has happened to those now? What has happened to Tom Price Hospital?

**Mr K.J.J. Michel** interjected.

**Mr V.A. CATANIA:** Five million dollars?

**Mr K.J.J. Michel:** Have a look in the budget papers!

[Member's time extended.]

**Mr V.A. CATANIA:** Five million dollars —

**Mr K.J.J. Michel:** Yes!

**Mr V.A. CATANIA:** — when it needs a new hospital that costs \$43 million!

**Mr K.J.J. Michel:** Well, if you didn't blow the budget we wouldn't have this issue, would we?

**Mr V.A. CATANIA:** I do not know, member. I cannot wait to see you proudly stand at your Karratha hospital, funded totally by royalties for regions. The Labor Party had nothing to do with it, yet it is spruiked in the budget that the money will be kept there. What is the government going to do? It is nearly finished. Tear down a wall? The government side of the house has now cut funding to Carnarvon Community College by 30 per cent. During the election we allocated \$38 million for the next stage of building the high school. One school would have been created from the three schools in Carnarvon—Carnarvon Community College. There was a huge fight for this, and it was well and truly overdue. It was a hard fight in government to come up with the funds. I thank the former Minister for Regional Development—the member for Warren–Blackwood—who fought for the funds. He was the only minister who actually sat down with the school board and asked to look at the school. The then Leader of the Opposition came, but did not want to look at the school. He did not ask any questions and off he went. We were able to secure those funds. In opposition the Labor Party committed to keep that funding, like it said it would keep royalties for regions. The funds appeared in last year's budget, and everyone celebrated and I congratulated and thanked the government because it had been a hard-fought win two years before.

It takes a while to marry the two, but when members look at the budget they will see a \$12 million difference between \$38 million and what we have today. That is a 30 per cent drop in the funds that were previously allocated by the Labor government and the previous government. We have to ask what has been cut. To date, the response has been that the project has come in under budget and under what was estimated because times have changed and it is easier to get builders. On Friday, when the Minister for Regional Development was asked this question by somebody from the community college, she was looking at her notes and her mouth could be seen quivering. She had to say that nothing in the scope had changed but the amount has been reduced by 30 per cent—that is, \$12 million. I have known the Minister for Regional Development a lot longer than many in this chamber, and I can tell when someone is nervous about giving a response that does not make sense. If it were a five per cent reduction, we could probably live with it, but if 30 per cent were applied to every project across Western Australia, the government would not have to tax mums and dads an extra \$1 000 a year under its budget, because the savings would be there.

Quite a few questions need to be answered. What is the explanation for the 30 per cent drop in the budget of \$38.55 million? A business case was prepared between May and October 2016. What is the difference between the business case then and now? Has the scope of the project changed in any way since 2016, the subject of the business case, and the current project under construction? Due to dissatisfaction about the delays in construction given the merger, enrolments have declined somewhat over this period, but is that likely to be reversed when the project is completed? What adjustment been made to the base with the decline of student enrolments? There is concern about the decrease in student numbers because it fluctuates over time in these areas. Has there been consideration that because of the decline in the number of students at Carnarvon Community College, the scope

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has been changed because it is not catering for 700 students anymore but is catering for far fewer? Is that the reason? The community wants to know that. If there has been a change in scope or size, when and by whom was the decision made, and what facilities or capacities have been excluded or reduced by those changes? If there have been no changes to scope or size, what errors were made in the original business case so that it grossly overestimated the project's cost? On what date or during which period did the Department of Education or the Department of Finance become aware of the reduced cost of the project? It is interesting that the first the Carnarvon Community College heard about this \$12 million drop was on Thursday afternoon, when we went through the budget papers and saw that there was a drop. The school principal, the school board, the school community and the community in general did not know that it would be \$12 million less. It is amazing how that just occurred at budget time!

**Dr D.J. Honey:** You don't communicate with people who don't matter!

**Mr V.A. CATANIA:** Clearly they do not matter. Clearly regional students and regional education do not matter. I think the Premier has made that point pretty clearly. Cuts to regional education, such as this cut to Carnarvon Community College and others right across regional Western Australia—as we go through the budget I am sure there will be more—will have a huge impact on the community. The McGowan Labor government thinks it is okay to tax the people of Western Australia \$1 000 extra over the two budgets it has handed down. It keeps blaming the former government, but is happy to open things such as Optus Stadium and the Perth Children's Hospital. It was happy to open the controversial Ningaloo Centre in Exmouth. It was bagged by the Premier, but he was happy to stand there and have his name on the plaque of something he criticised.

**Dr D.J. Honey:** It was originally a Labor initiative.

**Mr V.A. CATANIA:** It was originally a Labor initiative, but it could be funded only by royalties for regions. Labor criticised it, but was happy to open it. That happens right across the board. The royalties for regions projects of the former government are starting to run out. I do not think too many are left—not many ribbons to cut and not many plaques to unveil.

At the start of the year I said there was a three per cent swing against the government equating to eight seats. I was wrong. Polling shows a six per cent swing across the board against the government, which equates to about 12 to 13 seats. Now that ribbons are not being cut, plaques are not being unveiled and more cuts are being made to regional education, that is playing out for people in metropolitan seats and the government is in big trouble. Labor became a one-term government in Queensland with the Campbell Newman government. I think the McGowan Labor government will be ousted in a very similar way.

**Mr P. Papalia:** I love how you can say this with a straight face.

**Mr V.A. CATANIA:** I do not say it with a straight face. I say it with absolute concern for my constituents, the people I represent, regional Western Australia and the whole of Western Australia. This budget proves that the easy way is to stop spending, to cut everything and to tax mums and dads when there are alternatives.

**Mr P. Papalia:** That's easy, is it? How would you know?

**Mr V.A. CATANIA:** That is. The government does not want to take on anyone who can campaign against it. But the people of Western Australia will campaign against it.

**Mr P. Papalia:** Like the police union?

**Mr V.A. CATANIA:** Like the police union?

**Mr P. Papalia:** You say we don't want to take on anyone who can campaign us. Like the police union?

**Mr V.A. CATANIA:** The government has made cuts to the Dampier water police, regional policing and policing in general. People are getting sick and tired of these cuts; it is cut after cut.

I will move a reasoned amendment to the motion on the second reading of the Appropriation (Recurrent 2018–19) Bill 2018 and the Appropriation (Capital 2018–19) Bill 2018.

*Amendment to Motion*

**Mr V.A. CATANIA:** I move —

To delete “now” and insert after “time” —

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after funding for Moora Residential College, camp schools and other education cuts announced  
on 13 December 2017 are reversed

**MR D.T. REDMAN (Warren–Blackwood)** [5.29 pm]: I want to make a contribution to the debate on this very appropriate amendment moved by the member for North West Central. I want to highlight the key point that came out of debate on today's matter of public interest. It goes right to the Premier's commentary. He stated that the motion tried to capitalise on the city and country split. The National Party unapologetically represents regional seats. That is all we have members in; all our seats represent country areas, so it is quite right for us to stand up and be counted regarding the views that country people and constituents hold, and therefore support us in our endeavours to get a parliamentary —

**Dr A.D. Buti:** You don't care about the rest of the state.

**Mr D.T. REDMAN:** Members need to support the people who they represent.

**Dr A.D. Buti:** Yes, but you have to put it into context.

**Mr D.T. REDMAN:** Of course, member for Armadale, we have to work within the broader game.

**Dr A.D. Buti:** But you don't.

**Mr D.T. REDMAN:** But we do! We were in an alliance government for eight and a half years and fundamentally changed the outlook for regional Western Australia. That is the point I am coming to.

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

**The ACTING SPEAKER:** Thank you, members. Remember to speak through me, member for Warren–Blackwood.

**Mr D.T. REDMAN:** I will refer to two points that the Premier made today. He talked about capitalising on the city–country divide as though it is some sort of mantra for the Nationals WA and some sort of political edge we are trying to build or garner. He also talked about the issue of numbers when he made some links between Moora Residential College and the facility at Darling Range. He made a straight-out numbers argument why something should or should not be supported. That leads to my question: what is our vision for Western Australia? Western Australia is a very centralist state. Near on two million people sit in metropolitan Perth and, by extension, yes—the member for Mandurah regularly talks about Mandurah being in the regions, but it is at the end of a railway line and effectively almost a suburb of metropolitan Perth. Outside Mandurah, the next biggest centre is Bunbury and we probably have to get into greater Bunbury to get to a population of 60 000 people. It goes from two million people, down to 60 000 people, down to other major regional centres where there are around 30 000 to 35 000 people at best. Compared with other states, we are massively centralist.

If I fast-forward, what is our vision for what we want Western Australia to look like? The challenge this government now faces and the challenge we faced when in government is that the minute the government does something in regional Western Australia, it costs more and the business case is much harder to stack up in purely economic terms. Sometimes investments have to be made in order for things to happen and the government has to have a vision for what it wants to happen. Examples in history right around the world show fantastic leadership through politics or other forums being able to drive an agenda to make something happen despite the business case not necessarily stacking up. Of course, when we look at providing services for education and health, and investments that support infrastructure to stimulate the economy, it is always very difficult in regional Western Australia. That is what royalties for regions was designed to do. In my view, the decisions we made in government targeted that very agenda but the current government is making decisions to cut areas that are foundational and fundamental to supporting a regional development agenda. It is always going to cost more and it is always going to be harder in the regions. This government does not want to invest in innovating strategies to better achieve that outcome. We did it with health, education and a number of other areas using the royalties for regions program.

The message I am getting from the Premier is a lack of understanding of that challenge. There is a notion that everything has to be put into a big pool—which will have an interesting outcome when Infrastructure WA comes into play—and then the government works out what it will invest in next. It will always stack up best if we look at something where all the population is; it will never stack up for regional Western Australia. The government has to fight back against that and find strategies to manage what it sees as a vision for the state of Western Australia. I am coming back to the point raised by the member for Armadale, who said: "Don't you care about the rest of the state?" Of course I do, because I want to see a vision for all Western Australia to be different from what it is today. Some of my hardest constituents are people who moved down from metropolitan Perth. Why are they hard? It is because they have an expectation of services for public transport, access to medical or health facilities, school buses—whatever it might be—that they do not get when they move to my electorate or, worse still, to some of the more isolated parts of the state in the Pilbara area or the member for Moore's area.

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Members can understand why we really feel it when the leading edge of the government's cuts go to the core issues that are foundational for people who want to live and work in and be a part of regional Western Australia, regarding education in particular. The decision on Moora college and the camp schools, and the cuts to agricultural education and community resource centres are things that many people who have full access to services probably do not appreciate or understand. Our view is that the government simply has a lack of understanding, which we believe is playing out through the budget. That is why we are making the case today for the government to think about what is happening and think about a vision for Western Australia.

A big part of that vision for Western Australia is a vision for regional Western Australia. I would like to see us, as a state, have some of those big, regional and inland centres like there are in Queensland and New South Wales, and in Victoria to a lesser extent. I would not use South Australia as an example, but certainly there are examples in what we see up the east coast. We are likely to see some federal government investment in those areas. It is not unreasonable for us to make a pitch for a program that will deliver and support that, but the leading edge of the government's budget makes cuts to those foundational issues, which will be a massive disruption to our capacity to drive a vision for regional Western Australia and, by extension, all Western Australia.

This example has been used before: if we are going to come back to numbers, one really interesting number is that the Pilbara region, represented by the member who has vacated his seat for the minute, as one region in Western Australia, is responsible for nearing on—if it is not there already—40 per cent of the nation's merchandise exports. Why should places like the Pilbara, Karratha, Port Hedland and others not have support for a vision to grow and develop major regional centres, well beyond the Bunburys that we have now, which should be a major regional city? I think it has a long way to go before it gets anywhere near Perth. It is about driving an outcome, distinct from allowing something to happen by pouring it into a decision-making process, which spits out the inevitable; resources go to where the population is because it is really easy to make things work when there is a handful of pipelines to deliver water, not many poles and wires are needed to deliver power services and two or three hospitals can cover three-quarters of the state's population. That is why members of the National Party stand up to move amendments such as this to try to put on the government's agenda, in the decision-making place in this state, consideration of these fundamental issues when it thinks about making cuts to education, which is so critical to regional Western Australians.

**MR P.J. RUNDLE (Roe)** [5.37 pm]: I rise to make a brief contribution to the amendment. Members are all aware that all of us are very passionate about our regions and our local communities, and are especially passionate about Moora Residential College. I want to pass on my congratulations to the community of Moora for the way it has passionately supported its residential college. An inference was made today that this was a National Party scenario. It has been driven by the community, including the likes of Louise House, the deputy shire president, and Tracey Errington, the P&C association president, who stood out on the steps of Parliament House. She certainly never thought she would be speaking about it when she joined the Moora P&C association. Of course, it was also the first time in 94 years that the Country Women's Association of Western Australia has protested. I certainly congratulate it. I was frustrated when I heard the Premier say, "Well, there's only 26 kids so, that's it; it's all over." I do not think that numbers can be put on these types of things. Why are those kids less important than the Darling Range school, which the member for Moore asked a question about today?

The economic impact on the Moora community is another thing that has not been taken into account. Pulling the rug out will have a massive flow-on impact on the community and on Central Midlands Senior High School. I have said it before and I will say it again: I can see that I will be standing here in a couple of years when we have lost Central Midlands Senior High School because it has gone back to being Central Midlands district high school. A couple of years after that, it will be down to the Central Midlands primary school. That is the real worry for me. When I see —

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

**Mr P.J. RUNDLE:** That is it—SIDE. The next thing is that it will be driven out of the School of Isolated and Distance Education.

When I hear the Premier say, "Talk it up", we should be talking up the Moora community. We will talk it up. Do not pull education out, Premier. Do not pull out the money from the residential college and undermine the whole education of the Moora school and the surrounding region, and then we will talk it up. We have some fantastic elements to that community.

Another thing I want to talk about very briefly is the Carnarvon funding. I am really disappointed. I was up there having a look at it a couple of years ago. The community was so excited about merging the primary schools and the senior school onto one site. It was a fantastic solution, not dissimilar to the Merredin school that I recall. I was really disappointed when the member for North West Central informed me a couple of days ago that \$12 million has just disappeared. I cannot believe that this is taking place. When people talk about royalties for regions—

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I heard the Treasurer talk about it today—it was about 25 per cent of the royalties. Do not forget that 22 per cent of the Western Australian population comes from the regions. About 65 to 70 per cent of the gross product of WA comes from regional Western Australia. I find it quite bizarre that the rug is getting pulled out from underneath our regional communities.

Finally, I want to talk about development commissions. Everything was organised and well funded. Our leader, the member for Central Wheatbelt, spoke about it today. We had orderly planning and we had the blueprints. Everything was looking fantastic and now the rug has been pulled out from there. To me, the government does not understand how regional communities work. I fully understand that Bunbury is a big centre and so is Albany. I understand funding going into those particular communities but I do not believe that should be at the expense of our other communities. I certainly do not believe in a third swimming pool for Collie out of the Collie slush fund when places such as Carnarvon Community College are missing out on that funding.

**MR R.S. LOVE (Moore)** [5.42 pm]: I rise to support this excellent amendment that the member for North West Central has put forward. The proposed amendment states that the appropriation bill is supported only —  
after funding for Moora Residential College, camp schools and other education cuts announced on 13 December 2017 are reversed

I will go back to when this happened—13 December. That was after families had finished thinking about school. After they had finished their thoughts about education for that year and were looking forward to Christmas with their families, the Minister for Education and Training made an announcement that fundamentally threatened the arrangements for the education of their children going forward. No wonder people in rural areas conducted an immediate spirited defence of education. I pay tribute to the member for North West Central for the work that he did in organising the revolt, if you like, by the people of the bush against the most notable of those cuts at that time—the complete axing of Schools of the Air. It is an iconic institution that has been in Western Australia for generations. That institution was to be got rid of at the stroke of a pen by someone who has probably never had to go to the effort of educating children in an outback area or even, surprising enough as it might be to people, within an area such as the electorate of Moore where there are people who bring up their children in very isolated circumstances. They deserve and need the support of the state of Western Australia to get the same sort of educational opportunities for their children as other people in other parts of Western Australia.

We have seen education cuts to camp schools. A little while ago, we went down to Bunbury. When I say “we”, I mean members of the National Party. We were in Bunbury, together with the communities of the south west, protesting the cuts to the camp schools in that area. I can say again that the camp school in the City of Greater Geraldton has a greater affinity to the schools in my electorate. The changes to that camp school are uncertain. The future of those camp schools are of great concern to those students and those schools. They provide a valuable part to the education of children in my electorate and in other electorates throughout the state.

The people of Moora have recently been involved in a pretty intense campaign involving the support of people from the Country Women’s Association of Western Australia, who came to Parliament. It was the only time the CWA has ever been involved in a political protest. I think the significance of that was completely lost on the Labor Party and the McGowan government. They did not understand just how significant it was. That group has been going for nearly 100 years and has never before involved itself in politics. It came out to make a strong statement about its universal concern for the education of children in regional areas. One could imagine that despite all the words I have heard about the CWA over the years, about its tea and scones and everything, people actually quite proudly came to Parliament with tea and scones. They are also very proud mothers and workers in country areas who need to know that the children in their areas will get a decent education. They were so concerned that, for the first time in 100 years, they came to this place to protest. I do not think members of the Labor Party understand just how significant that is. That was an earth-shattering thing to occur. It is actually against its mantra to get involved in politics. It is not something it does, but here it was. Why were its members here? They were here because these cuts were so fundamentally important to their communities and to their children that they felt they had no option other than to come here.

Similarly, the Moora community itself organised a rally at Parliament that was very well attended. Those people came for the same reason. They did not come here because they all sent their children to that residential college; they came here because they knew the opportunity would be lost for generations of children to be able to attend a high school within a reasonable proximity to where their families lived, worked and farmed et cetera. They came out for the same reason—they are concerned about the future of children and they are concerned about the future of education in their area. They are concerned about losing the favoured option for education for their families. That is a big loss. Instead of being concerned about that loss, what do we hear in this place? We hear a Premier who is concerned about what someone said on social media. Come on! What somebody said on social media is hardly an earth-shattering matter. He also made the accusation that I had personally been involved in encouraging

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people. I am reading an answer from *Hansard*. It is an answer the Premier gave to a question I asked on 10 May. I asked —

... will the Premier, now that he has not undertaken that assessment, —

That is, a proper assessment of the effect of the closure of Moora Residential College upon the communities that needed to use it. He did not undertake that assessment—he said so in his answer. My supplementary question was —

... will the Premier, now that he has not undertaken that assessment, take the opportunity presented by today's budget —

That was Thursday, 10 May —

and reverse his community-destroying decision to close the college?

In part, his answer was —

I saw a letter to the editor the other day in which one correspondent, no doubt at the member's urging, suggested that 600 people were going to leave Moora because of the closure of a residential hostel ...

I never urged anyone to write a letter to the editor stating that or anything else, but I have certainly encouraged the people of Moora to be vocal and to make use of legitimate means, open to anyone in a democratic society, to express their concerns. It would certainly be a very sad day if this place were to be used to try to shut down a community from democratically expressing their concern about what is happening in their community. That is what we have been seeing here with answers like that from the Premier. He then went on to state —

The member has been encouraging the defacing of my office and an abusive campaign from some Nationals WA members.

I have never encouraged the defacing of anyone's office. I have never encouraged the defacing of any state government property and I take great offence that that statement was made. It is only that I have farmer's ear and cannot hear some of the things that are said in this place that I did not take umbrage at that very moment. But when I read *Hansard*, I thought, "How dare he! How dare he suggest that I have been encouraging people to deface his office." I would never encourage someone to deface his office and that is a slur on me and on the community of Moora to say that they are involving themselves in an abusive campaign. They are not. They are involving themselves in a strident and desperate campaign, but they are not involving themselves in an abusive campaign. The fact that a particular member from Agricultural Region may have had someone put a couple of stickers on his BMW when he showed up in Moora is hardly an earth-shattering attack on the institutions of our society.

**Dr A.D. Buti:** Do you condone it, do you?

**Mr R.S. LOVE:** I do not condone —

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

**The ACTING SPEAKER:** Member for Armadale, thank you.

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

**The ACTING SPEAKER:** Member for Armadale, I am on my feet. Thank you, I have given you enough leverage.

**Mr R.S. LOVE:** Like I said, it seems to me to be a complete overreaction to go to town because someone stuck a couple of stickers on their BMW, but I do not support —

**Mr W.J. Johnston:** Whose BMW?

**Mr R.S. LOVE:** The fellow who was sitting in here during question time.

**Dr A.D. Buti:** Do you condone it?

**Mr R.S. LOVE:** I do not condone the defacing of anyone's property, but if members go to the car park now, they will see a battered old Falcon out there that happens to be mine and someone has stuck a "lock the gates" sticker on the back of it. Did I write to the newspaper and say, "Someone put a 'lock the gates' sticker on the back of my car! Oh, dear; oh, me!?" No. Actually, I have been driving around with it for a while because I have not got around to pulling it off, but it is not something that I would write in to newspapers or Facebook about and make some sort of campaign and ask the Premier to mention it in Parliament; it is not something I would do. As I said, the people of Moora are legitimately concerned. They are legitimately making their concerns known. They are not doing anything that I think threatens the safety or security of anybody in the state of Western Australia, but I will say that I would never condone defacing state government property. I have said that here, and I will say it again. I take umbrage at the fact that the Premier has said that I have engaged in that type of activity. I certainly would not.

There are a few other matters pertaining to education that I would like to talk about. One that is very important to people and was raised even prior to the 2013 cuts was the situation with the boarding away from home allowance.

Mr Ben Wyatt; Mr Tony Krsticevic; Mr Vincent Catania; Mr Terry Redman; Mr Peter Rundle; Mr Shane Love;  
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The boarding away from home allowance had been reinforced, if you like, along with the isolated children's assistance program from the federal government, and brought up to something approaching the types of costs that families might incur when sending their children to a government residential college. That had previously been funded by royalties for regions, but this government has chosen not to extend that funding into the future, which effectively means that \$1.4 million, and up to \$2 million—as was reflected in the 2016–17 budget—is to be lost to families in regional WA. As I said, the boarding away from home allowance does not just affect people in the very far-flung areas. It certainly affects people in my electorate, the central wheatbelt and pretty well every regional electorate in the state.

Families are already suffering from cost increases. We have seen the government bring up the price of power, water and all these other things, and then cut the assistance that was provided to attend a government residential college or any other boarding institution. That is for sure, but it is put at a level that reflects the costs of those colleges. At the same time as one of the colleges in the area is being shut down, the BAHA—boarding away from home allowance—is being reduced and the royalties for regions components that fund that program are to be phased out. Rural families really are, in some ways, victims of current government policy and they feel that they are being unfairly targeted, I am sure.

I have also heard it said and it has been put that the funding for the extensive upgrading of Moora Residential College—which was announced during the term of the previous Liberal–National government, in August 2016 at a community cabinet in Moora—was never in the budget. I point out that on page 200 of budget paper No 3 of the 2016–17 budget has listed under the “Royalties for Regions Expenditure” table a line item, “Regional Residential College Upgrades”. There is an amount of \$8.7 million in the 2018–19 forward estimates of that budget. That \$8.7 million is the money that was allocated to Moora. The money was already in the budget. Once the announcement had been made that it was allocated to Moora it became the Moora money, but the money had always been in the budget. To say the money was never put in the budget by the previous government is in fact untrue. It was certainly in the budget. Here is the document. The member for Armadale is looking at me quizzically. I am quite happy for him to look at the document if he does not believe me.

**Dr A.D. Buti:** Which budget document is that?

**Mr R.S. LOVE:** This is budget paper No 3 of the 2016–17 budget.

**Mr W.J. Johnston:** It says Moora?

**Mr R.S. LOVE:** It reads “Regional Residential College Upgrades.”

**Dr A.D. Buti:** You got caught out there didn't you?

**Mr R.S. LOVE:** Then it was allocated to Moora. The money certainly was in the budget.

**Dr A.D. Buti:** No, it did not say Moora; you misled Parliament.

**Mr R.S. LOVE:** The member for Armadale never takes interjections when he is on his feet, but he is a recidivist interjector when others are making a contribution.

**Dr A.D. Buti:** I do not mind if you are interjecting. You just misled Parliament by saying Moora was in the budget.

**Mr R.S. LOVE:** I did not mislead Parliament; I said the money was in this document. I said the money had then been allocated to Moora. You can go back and check *Hansard* if you like, and if you think I have misled Parliament, you can bring a charge against me if you wish.

**Dr A.D. Buti:** I will come over. You did invite me over, so I will come over and you can show me.

**Mr R.S. LOVE:** You can come and take it now if you like. I have lost my spot now.

**The ACTING SPEAKER:** Member for Moore, perhaps through me.

**Mr R.S. LOVE:** The people of Moora and the surrounding areas are concerned. We keep saying Moora because that is the centre of all of this, where Moora Residential College is, but that is not where the students of the residential college come from, of course. They come from across my electorate and further out in the member for North West Central's electorate, in the Murchison area especially. There are some people who come across to that college. Those people are very concerned and upset and instead of the state government sending up a senior minister to talk to them about their concerns, what has happened? They have been lectured at from the Parliament, told that their concerns are illegitimate and that their expression of their concerns is abusive, but has anybody actually gone to Moora? Has a senior minister gone to Moora tasked with the job of explaining the government's decision, what will happen from here and what the government might have in mind for the development of the central midlands, instead of this program which at the moment appears to be aimed at the de-development of the central midlands? I did not come up with that term; it is the term that the Moora community is using to explain how it feels about what is happening. We have a Minister for Regional Development, but the government is

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actively seeking to de-develop the central midlands by attacking one of the major pillars, if you like, of a community and its ability to provide a decent education to the young people who are its citizens. For that reason alone the government should stand condemned, unless it agrees to this motion and agrees to fund Moora Residential College and reverse its other education cuts, such as the cuts to the camp schools in Geraldton and the camp schools in the south that were announced on 13 December 2017.

**DR M.D. NAHAN (Riverton — Leader of the Opposition)** [5.59 pm]: With the time available, a minute or so, I would like to support the motion. The fundamental issue with Moora Residential College is that it was a choice by the government to cut funding; it was not at all meant to achieve savings. It claims it has \$1 billion in its budget for royalties for regions. It had \$8.7 million allocated to revamp this, if it so wished, and it chose to take the money and reallocate it elsewhere. The issue with Moora college has been carefully articulated, but the one thing the government has not done is visit it—neither the Minister for Education and Training, the Minister for Regional Development, the Treasurer nor the Premier. The essential decision-makers have not gone out there and visited them.

*Sitting suspended from 6.00 to 7.00 pm*

**Dr M.D. NAHAN:** It is my pleasure to finish my discussion of this amendment. Let me go back. Moora Residential College is a special little college. I did not know much about it until I went to visit the college and looked in the budget papers. Many of us have some familiarity with colleges like this—those who grew up in the country and had to go to boarding school and stayed in hostels like this—so we understand the real problems of trying to get through high school in a small town with limited resources and whatnot. I went to visit this college. First of all, we have to be honest about the decision to pull the money. There was money allocated in the 2016–17 budget for residential colleges, including Moora Residential College. Moora Residential College was the last of the major residential colleges to be scheduled for an upgrade. The money was there. Last year, the government decided to take the money and reallocate it in the royalties for regions fund. The government has said that it is keeping royalties for regions—it has kept the billion dollars, at least for the first few years, without any recycling back to the consolidated fund. It has the money; it is just choosing to spend it elsewhere. That is a fact.

If members go to Moora, they will see a couple of things. There are about 25—there were almost 30—boys and girls at that residential college. The first issue is: how much money needs to be put into the residential college to make it adequate for future use for the school? I understand that about \$8.7 million was set aside. That would be nice, but if the government could not afford that, it could have substantially reduced the expenditure to around \$500 000—maybe a bit more, maybe a bit less. It does not need to put the full \$8.7 million in there. The government looked at a whole range of programs that it inherited under royalties for regions and downsized its expenditure. The government could have looked at this situation and decided that \$8.7 million was too much, but it could have given it \$500 000. It could have done that, but it chose not to; it chose to spend the \$500 000 elsewhere. Let us be honest about that. That is simply a fact.

One of the problems the school has is in highlighting its own importance and that of the residential college. Hon Alannah MacTiernan has criticised the Moora community and the residential college because she does not think she should fund rich landholders. The people who send their children to the residential college are not rich landholders; they are plumbers, mechanics, people who work on the land and people who provide services in the town. They are primarily from around the community. They are very working-class people. They do not have high incomes. In fact, they are relatively low-income people. If members go and meet them, they will see that. One thing stuck in my mind when we were looking at one of the rooms. The children all have individual rooms, which were partitioned off from a large dormitory 10 or 20 years ago. They are basic rooms, but not any worse than the dormitory room I stayed in—but, again, that was a long time ago. I asked one of the boys—I will not mention his name—how it was going. He said, “It’s better than the one that I have at home, because I live in a caravan at home.” These are not wealthy people. They are not living in palatial homes. They do not have great expectations. I asked the boy what was important about the school. He is in year 11 and he wants to go to year 12; he wants continuity. His two brothers had gone to the same school. The school also fits him. I also had a meeting with some people who had been tied to the school—I will not give their names because I do not want retribution for them. At the pub I met a retired teacher from the school. He told me that he had worked at the school for 20 years. He said, “If you shut this residential college down, a large number of these kids will fall through the cracks. Their family situation is not stable. They will not have anybody to go back to.” He lived in Moora when he was teaching there and he often went down to the residential college. On the holidays, some of the kids had no place to go. There were no family bases. Once the education of some of these children in this place is disrupted, they will fall through the cracks and disappear. We cannot afford that. Even if they left Moora and went to another residential college, we would still have to fund them at that other college. There is no saving in operating costs. There is a high educational need for this place.

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We heard the Premier decry the people of Moora for standing up for the college. He said that they were breaking the law. We do not condone breaking of the law, but the reason the people of Moora are doing this is that they are fighting for the livelihood of their community. If they lose the residential college, they will lose 25 to 30 students in the senior high school. If that happens, the senior high school will be converted to a district high school, which will no longer provide year 12, and the TAFE will then be under threat. This town is two hours away from Perth and it is struggling to remain viable for not only the surrounding community but also the local community. As local members, we constantly advocate for our own areas, but they are in a much sounder situation than Moora. These people are fighting for the continuation of their community. It is a really tough job. Unfortunately, not everybody wants to work in small country towns. For instance, one of the car dealerships has been looking for a mechanic. It pays higher than award wages and a higher wage than that level of mechanic would receive in Perth, but it has not been able to find a person for 12 months. That is how difficult it is to sustain this. These people are looking to sustain their community.

The government has made these decisions without visiting the place. None of the relevant ministers has visited the college. Hon Alannah MacTiernan has said that they are just a bunch of rich farmers and the government does not need to support them. That is untrue; it is false. Most of the people who send their kids to Moora Residential College are the people in rural and regional Western Australia who vote Labor. That is conjecture, but I bet it is the case. Like many small country towns, Moora has wealthy people and poor people. This is a very diverse community, with 22 per cent of the community of Aboriginal descent. The high school, therefore, teaches a lot of Aboriginal kids. Sustaining the school so that it can provide years 11 and 12 is important for everyone in the community, including the very large Aboriginal community in Moora.

Moora residents have been trying very hard to get the government's attention, but they have been ignored. Sometimes, perhaps, they have crossed the line. The Premier is the leader of the Labor Party and a central element of that party is the union movement. Sally McManus, president of the Australian Council of Trade Unions, was asked recently whether she supported the aggressive lawbreaking activity of the Construction, Forestry, Mining and Energy Union. Her response was, "You bet I do." She said that although she respects the rule of law, laws must be fair and it is up to her to determine what is fair. We are not promoting that level of diminution of support for the law. My point is that the union movement and the Labor movement should recognise that the people of Moora have their backs to the wall. They are going to lose their residential college, which will undermine having a senior high school and people staying in their town. They are fighting for the continued existence and viability of their community, and they are not being listened to. They know that \$8.7 million was too much money. They never asked for that much funding. They would have liked the funding, but they understand that times are different. They are not extravagant people and would do with—I do not know how much—an objective assessment. Alannah MacTiernan's assessment was basically an exercise in saying, "We're not going to do it." What they have from the government is: I do not care. The government has made a decision—tough! That shows, first, a lack of compassion and, secondly, a lack of understanding of the bona fide needs of these parents and the community. It is an error by the government, because I visited people in Moora and they had never been in a protest in their lives. This is odd for them. They were feeling their way and it goes against the grain for them to do it, but when people are desperate and their community and their high school are on the line and they can see these young kids who go to the residential college will fall through the cracks, they have to do something, and that is what they have done. You know what? I support them to the hilt—not in breaking the law. They have just cause here and I wish that the government would just listen to them. It is not anywhere near as much money as the government says it is and it could be resolved quite easily.

**MR B.S. WYATT (Victoria Park — Treasurer)** [7.12 pm]: I rise to speak to the motion moved by the member for North West Central. I want to make a couple of points. Firstly, I must admit that I am surprised that a conservative opposition would move this motion. I want to make some comments around the procedure that has been adopted and then make some comments around the issue that is within it; that is, what is unusual is that this is a budget bill. The opposition seeks to block, or at the very least delay, supply until, to be frank—some is clear, but otherwise—an amorphous standard is met by the government that is not government policy. I would have thought that the Liberal Party and the Nationals would have learnt from 1975 around how to deal with supply. Not once in opposition did we seek to hold up budget legislation through this mechanism. Yes, every year we moved amendments to the Premier's Statement—that has always been the process of opposition—but not once did we seek to amend budget legislation to hold it up.

**Mr R.S. Love:** We're not seeking to hold it up.

**Mr B.S. WYATT:** Yes, the opposition is seeking to hold it up. That is exactly what the motion does; it states —

I move to delete the word "now" and insert after the word "time"

I will read the motion for the second time with a proviso —

after funding for Moora Residential College, camp schools and other education cuts —

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Dr Mike Nahan; Mr Bill Marmion; Ms Libby Mettam; Mr Kyran O'Donnell; Dr D.J. Honey; Dr Tony Buti; Mr  
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Whatever that may mean —

announced on 13 December 2017 are reversed

It is not even clear what that is; yet, the supposedly conservative opposition, against one of the conventions of our Westminster system in Australia for a long time, seeks to throw that away and threaten supply. The best case scenario is that the opposition is trying to delay supply, therefore threatening payments to public servants, program delivery and infrastructure delivery. That is what this motion seeks to do and I am stunned that the opposition would do it. I would not be surprised if the opposition did private members' business in Parliament or suspensions, which are the traditional methods that oppositions use. I think members opposite are thinking that this legislation is like the Premier's Statement, when we do move amendments, usually every day, in response to the Premier's Statement at the beginning of the year, or however long it takes to proceed throughout the course of the year, but we do not do it with a budget document. I am surprised that the Leader of the Opposition, as a former Treasurer, would support this motion. There are other methods by which the opposition could go about making this debate, and this is not the mechanism to do it.

I will not speak for long, because this issue has been well ventilated in this place. Most of the conversation has been around Moora Residential College. There was some discussion in the chamber around camp schools and the amorphous "other education cuts", whatever that may mean. The opposition is seeking to hold up supply about that amorphous topic. On a number of occasions, the Premier has outlined a range of government reports—from memory, under the term of the former government—on investigations into Moora Residential College. From memory, the cost is from \$8 million to, I want to say, \$11 million depending on what is done. The former government allocated \$8.7 million because it is a big job. In terms of the number of students, the Premier has outlined where those students live and the other residential options available to them. Those services can be provided in other ways, but \$8.7 million is not justified. I get that the people at Moora are angry at that—I get that! I have had to make a range of decisions, including in my own electorate, that have people angry. My own electorate is angry around decisions we are making in the budget.

The Leader of the Opposition came up with a straw man argument: this whole idea that we are making some sort of attack and the government's view is that these are all rich landowners. That has never been said. That is a classic straw man argument. At no point has it been said as some form of justification—at all. I am interested that the Leader of the Opposition made the point that this community wants to protect itself or protect its services, which I understand. Quickly, by way of an aside, I want to remind this place that when the Leader of the Opposition sat on this side of the house and most government members were in opposition the school was closed at the Patjarr remote Aboriginal community despite fierce objection by the then member for Pilbara, Hon Tom Stephens, we got not one ounce of support. There was not one ounce of support on the closure of the school. That did close down that town. If members go to Patjarr now, there are basically two or three people there permanently. That decision did close down that town. Where did those students go? They were not assisted by the Department of Education, as the Minister for Education and Training has committed to do for those 26 students at Moora Residential College; they simply disappeared as families had to move hundreds of kilometres. This community is about 250 kilometres north west of Warburton; this is a remote community. We had no support from the Liberal or National Parties when the then education minister, Liz Constable, was closing down that school.

Mr Acting Speaker, I did not intend to speak for long. Again, the arguments have been well ventilated in this place by the Premier and in the upper house by the Minister for Education and Training and the Minister for Regional Development. I get that those people at Moora who object to this decision will continue to be upset, and they have a right to be. The government will not change its position in respect of this. I get people's frustration and that there will be a stand-off around whose argument is right. I daresay that we will not be able to convince anyone in Moora of the rationale for our decision, despite it being well argued here and at the many meetings that the Premier and the Minister for Education and Training have had with representatives of the Moora community. I want to conclude by saying again that I am surprised and disappointed that a conservative opposition would seek to delay, hinder, alter or block the appropriation legislation.

**Mr R.S. Love** interjected.

**Mr B.S. WYATT:** No, listen—I sat in silence and listened to the opposition. Ultimately, that is something we never tried in opposition—not once. The member for Bateman can go back and have a look at *Hansard*. The only amendments we moved were to the Premier's Statement, and not once to the appropriation bills. I want the member to reflect on that, and think about how he will go about dealing with budgets in the future, and work out the other mechanisms in Parliament under which he can raise these very legitimate issues. I am not disputing that the issue itself should be raised in the Parliament, only the mechanism by which the opposition has done it. The arguments have been well ventilated, and the government will not change its position.

**Extract from Hansard**  
[ASSEMBLY — Tuesday, 15 May 2018]  
p2749b-2797a

Mr Ben Wyatt; Mr Tony Krsticevic; Mr Vincent Catania; Mr Terry Redman; Mr Peter Rundle; Mr Shane Love;  
Dr Mike Nahan; Mr Bill Marmion; Ms Libby Mettam; Mr Kyran O'Donnell; Dr D.J. Honey; Dr Tony Buti; Mr  
John McGrath; Ms Cassandra Rowe; Mr Ian Blayney

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**The ACTING SPEAKER (Mr I.C. Blayney):** As a point of clarification, during the second reading cognate debate on the Appropriation (Recurrent 2018–19) Bill 2018, the question before the Chair has been that the bill be now read a second time. The member for North West Central is proposing a reasoned amendment to this question, in accordance with standing order 170, to delete the word “now”, and insert, after the word “time” —

after funding for Moora Residential College, camp schools and other education cuts announced on  
13 December 2017 are reversed

Therefore, the question now before the Chair is that the word to be deleted, be deleted.

*Division*

Amendment put and a division taken, the Acting Speaker (Mr I.C. Blayney) casting his vote with the ayes, with the following result —

Ayes (14)

Mr I.C. Blayney	Mr S.K. L'Estrange	Dr M.D. Nahan	Mr P.J. Rundle
Ms M.J. Davies	Mr R.S. Love	Mr D.C. Nalder	Ms L. Mettam ( <i>Teller</i> )
Dr D.J. Honey	Mr W.R. Marmion	Mr K. O'Donnell	
Mr Z.R.F. Kirkup	Mr J.E. McGrath	Mr D.T. Redman	

Noes (34)

Ms L.L. Baker	Mr M. Hughes	Mr M.P. Murray	Mrs J.M.C. Stojkovski
Dr A.D. Buti	Mr W.J. Johnston	Mrs L.M. O'Malley	Mr C.J. Tallentire
Mr J.N. Carey	Mr D.J. Kelly	Mr P. Papalia	Mr P.C. Tinley
Mrs R.M.J. Clarke	Mr F.M. Logan	Mr S.J. Price	Mr R.R. Whitby
Mr R.H. Cook	Mr M. McGowan	Mr D.T. Punch	Ms S.E. Winton
Mr M.J. Folkard	Ms S.F. McGurk	Ms M.M. Quirk	Mr B.S. Wyatt
Ms J.M. Freeman	Mr K.J.J. Michel	Mrs M.H. Roberts	Mr D.R. Michael ( <i>Teller</i> )
Ms E. Hamilton	Mr S.A. Millman	Ms C.M. Rowe	
Mr T.J. Healy	Mr Y. Mubarakai	Ms J.J. Shaw	

Pairs

Mrs L.M. Harvey	Mr D.A. Templeman
Mr P. Katsambanis	Mr J.R. Quigley
Mr V.A. Catania	Ms J. Farrer
Mr A. Krsticevic	Ms A. Sanderson

Amendment thus negatived.

*Second Reading Resumed*

**MR W.R. MARMION (Nedlands)** [7.27 pm]: I rise to speak on the Appropriation (Recurrent 2018–19) Bill 2018 and the Appropriation (Capital 2018–19) Bill 2018. I will start by mentioning that I attended the Treasurer's presentation at Crown, sponsored by *The West Australian*. It was a good presentation, and I learnt a lot. One of the highlights of the presentation was the fact that not many members of our side were there. I bought two tickets. I thought I may have been invited, but I was not, so it cost me a couple of tickets. It was worthwhile going, because I learnt a bit about the budget from a different perspective. One of the comments that was made more than once by the Treasurer was that during the term of the Liberal–National government, average expenditure growth was, I thought he said, 6.6 per cent over the eight years, but the Treasurer said 6.4 per cent today. Depending on whether the year 2008–09 is included, it could be 6.46 per cent or 5.6 per cent, so the Treasurer took the higher of the two, which is fair enough. However, the Treasurer failed to talk about expenditure growth during the period of the Gallop and Carpenter governments. Believe it or not, that was nearly eight per cent per annum. The average growth, when we came into government, was 7.91 per cent. This is a case of using the term, “lies, damned lies and statistics”, as the British Prime Minister Benjamin Disraeli did in the nineteenth century.

Several members interjected.

**Mr W.R. MARMION:** Mr Acting Speaker, I am not taking any interjections.

**The ACTING SPEAKER:** Thank you, member.

**Mr W.R. MARMION:** The actual state expenditure in 2000–01 was \$10 billion, and by the end of the 2008–09 year it had gone to nearly \$20 billion. During the Carpenter and Gallop period, state expenditure, growing at an average of 7.91 per cent annually over the eight years, doubled. That was a 100 per cent increase in expenditure,

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from \$10 billion to \$20 billion. That is a fact. I have the figures here. In the time of the Barnett government, expenditure went from \$21 billion to \$29 billion—less in terms of quantum, but also only a 50 per cent increase. Those are the stats; they do not lie. Ask Benjamin Disraeli. I just wanted to put that on the table because the Treasurer always talks about his budgets versus the Barnett government budgets and how they were all surpluses. That is interesting. I will go on to that too. Average revenue from 2001 to 2008–09 during the Gallop–Carpenter time was nearly eight per cent; it was 7.95 per cent per annum. There was revenue growth of eight per cent per annum enjoyed by then Treasurer Ripper. Then, guess what? The Colin Barnett government inherited that high average expenditure growth as well as the high average revenue growth. The arguments put forward by the Treasurer are the same that we could put forward. It is just a case of when we pick the time and what data we choose to talk about. I will put that to rest.

I want to briefly make some general comments about cost-of-living increases in the budget. People think that people in Nedlands are wealthy. In the electorate of Nedlands I have a lot of students, as members know, a lot of state housing tenants and a lot of low-income families who choose to live in Nedlands so their children can go to some of the primary schools there. I have conversations with these people, and the husband might have two jobs and the wife might work as well. They have chosen to rent in Nedlands so their children can go to school, because, as members know, the results from our primary schools are quite good. The cost-of-living increases will affect them. They affect people in my electorate. In the last budget electricity prices went up by 10.9 per cent, water went up by six per cent, public transport by 11 per cent, motor vehicle registration by 3.8 per cent and the emergency services levy by 3.4 per cent. That was in the framework of the Labor government saying there would be no increases in taxes, so last budget that is what it did. In this budget electricity is forecast to go up by seven per cent, water by six per cent, public transport by 2.25 per cent, motor vehicle registration by 1.5 per cent, and the emergency services levy—I have had people ring me up already on this one—will go up by \$28. The total burden on households of last year's and this year's budgets is \$734 a year, and that is quite an imposition. That is in a framework of high unemployment. People are struggling, as demonstrated by the increase in applications for the hardship utility grant scheme, a program that was brought in by the Liberal–National government. The figures are going up astronomically, but I will not read them out, because we have heard in this venue that everyone knows they are going up. That is because people are suffering with the higher increases in taxes and charges. There are new taxes and charges that have been introduced by the McGowan government such as payroll tax, a foreign owner duties surcharge and a tax on Uber. There is massive over-recovery on water charges in this budget. Of course, in the last budget there was an attempt to increase gold royalties, and I will get on to that shortly, because it comes under my portfolio. I will mention a couple of other points about the budget outside my portfolio. There is the flagging of the possibility of capital inflow through the sale of Landgate. I know that has not been banked and that there will be a review. I think the opposition has some concerns about the sale of Landgate. There are lots of questions of probity around that: Who owns what? What percentage of the assets have been sold off to overseas companies? Who claims to benefit? There are also questions of sensitivity of data. We will keep a watching brief on that.

I turn to expenditure in the forward estimates. Our lead speaker will probably talk at length on some of these items, but there is concern that some of the forward estimates expenditure has not been covered in the budget, including the likely costs of the National Disability Insurance Scheme. That will affect figures that at the moment make control of expenditure growth look quite good. It will actually be 0.45 per cent in 2020–21. I acknowledge it is fantastic if the government can do that, but I think in 2021 the government will find that more expenditure will come in through the NDIS. I also believe that will be the case with Metronet. Metronet is a double-edged sword. One problem is the high capital cost of that sort of infrastructure. I understand that the capital cost of all the rail expansion projects announced by the Labor Party in the election have not been put into the budget yet, let alone the recurrent costs of running the rail network. People talk about business cases, but “business case” is just a phrase. It is what is in the business case that is the true story of a business case. There is also the question of what is attempted to be achieved with a business case. Does there have to be a positive net present value and a positive cost–benefit ratio in the business case? I do not know. I can tell members that rail networks do not have positive cost–benefit ratios or net present values because they cost an enormous amount to run. If the government does a net present value, depending on how many years it takes and the cost of capital it uses, I think it will be negative. That is as opposed to many road projects, and I will mention Roe 8 and Roe 9, just off the top of my head, as projects that have a very positive cost–benefit ratio and a very high net present value return for the investment. That is not even valuing safety aspects, people's lives or the costs of cars and repairing them. If those things are thrown into the equation, there is a massive net present value.

I am looking forward to seeing how the government goes with expressions of interest in what I would call the assembly of railcars. The government talked about manufacturing railcars in Western Australia, which is a great idea, but I think the government will find the best it will get will be fabrication of some of the panels.

**Extract from Hansard**

[ASSEMBLY — Tuesday, 15 May 2018]

p2749b-2797a

Mr Ben Wyatt; Mr Tony Krsticevic; Mr Vincent Catania; Mr Terry Redman; Mr Peter Rundle; Mr Shane Love; Dr Mike Nahan; Mr Bill Marmion; Ms Libby Mettam; Mr Kyran O'Donnell; Dr D.J. Honey; Dr Tony Buti; Mr John McGrath; Ms Cassandra Rowe; Mr Ian Blayney

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Western Australia will certainly not be producing engines, and some of the complex electrics will probably not be able to be made here either. They will be imported and just assembled in Western Australia. The other problem I picked up, because I attended the Treasurer's briefing, sponsored by *The West Australian* newspaper, is that that was the first time the Treasurer flagged the possibility of not delivering the expansion of the train network on time. Why is that so? He mentioned that at a recent Council of Australian Governments meeting of transport ministers they all said they were going to expand their rail networks, and there is a limited number of major construction companies in Australia. That does not discount the possibility of bringing in someone from overseas, but that would go against the Western Australian Jobs Bill, so that probably will not happen. If manufacturing is kept to Australia and New Zealand, which is local content, we will find that all states will be competing for the same major infrastructure providers in Australia and that will probably cause some delay. The Treasurer mentioned this for the very first time on Friday morning last week. That was my first dot point.

I now want to get on to my portfolio. What impact is the budget going to have on my portfolio? I will deal with mines and petroleum first. My first headline dot point is the exploration incentive scheme. That is now going to be funded by industry. Cleverly, the Treasurer said that it was a very good program and that we need to keep it going. He has identified that. I know that the Minister for Mines and Petroleum agrees with me that the exploration incentive scheme has a high net present value. For every \$1 million spent on exploration there is a \$10 million return in economic activity in Western Australia. Everybody knows that the exploration incentive scheme is a good idea. I credit the National WA's former member for Kalgoorlie for its introduction. During the previous term of the Labor government she had noted that South Australia had leapt ahead of Western Australia on the league table. She worked out how that had happened—that, apparently, South Australia had an exploration incentive scheme. Cleverly, instead of inventing something new, WA pinched what someone else was doing well, and I credit Wendy Duncan for pursuing that.

What is the budget going to do? Mining tenement rentals will be increased to raise \$5 million initially and \$10 million per annum to cover the exploration incentive scheme. That is another cost placed on the mining industry at the same time the mining industry is recovering and providing lots of jobs for Western Australians. We need to support it. There will be an extra cost particularly on mining companies that are not delivering any return on their operations. Members know that mining companies start off in exploration but that it can take a long time to get approvals even if a resource is found. It is only once they start to mine the resource that they can start to generate income, which can then be used to pay off all the sunk costs before making a return. This will be another cost because mining tenement rental costs will cost more.

The mining sector will also contribute to the Building and Construction Industry Training Fund. Companies will be paying a 0.2 per cent levy on any construction on a mining site worth more than \$20 000, which, apparently, will yield about \$25 million over four years. It remains to be seen whether it will raise only that amount, because 0.2 per cent of a large billion-dollar project will certainly raise more than that amount. I believe that that is an underestimation and I will be interested to see what figure is arrived at when we interrogate that in the estimates hearings. A third imposition on the cost of running a mining program is cost-recovery measures introduced for any expansion or new development that requires environmental approval. That is another imposition on the industry.

I now want to talk about lithium. Increasing the royalty stream and creating value-added industries in Western Australia will be made possible—we need to jump on the bandwagon—through lithium, given the high demand for lithium batteries in the future. Indeed, the Association of Mining and Exploration Companies released a report into the lithium industry in Australia about a month ago and it makes for pretty good reading. It claims that the value-added chain from lithium will be absolutely massive. At the start of the chain, in terms of the commodity itself, Western Australia, without looking at the figures, is already at around about 60 or 70 per cent.

[Member's time extended.]

**Mr W.R. MARMION:** Sixty-seven per cent of world exports of lithium come from Western Australia. At the moment that will be worth about \$900 million in 2020, and that means demand for the raw product will grow. Talison Lithium at Greenbushes is expanding and the demand for raw lithium is going to increase. There will be increases in royalties from that, but the real story lies in the value-added chain right to the manufacturing of batteries. People are predicting that by 2025 the raw commodity market will be worth \$12 billion and the actual battery market worth \$1.3 trillion. We have to get into that market. The Minister for Mines and Petroleum is not in the chamber at the moment, but I am sure he is onto this, and the Department of State Development needs to be working flat out on this. The minister should be going every month to South Korea, Japan, China—I think that is where all the battery manufacturers reside—finding out what we will require to set up manufacturing plants in Western Australia. An ideal spot would be Kwinana, because that is where Tianqi Lithium is building its lithium hydroxide site. I know Albemarle is looking at Kemerton for its plant, and there are other places in mind. A battery manufacturing plant will need a hub, and Kwinana stands out as a likely site for that. I am surprised that the

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Minister for Mines and Petroleum does not deliver a brief ministerial statement every day of every sitting week on how much progress he has been making to develop a battery manufacturing industry in Western Australia. That is all I want to say on lithium.

I now want to comment on the gold royalty increase. Last year the opposition managed to hold off the rise in gold tax and, as a result, Newcrest Mining Limited's mine in Telfer was able to expand its operations. The Treasurer says that the gold industry can pay and pulls a figure out of the air, saying that it costs only \$US1 000 an ounce to produce gold and that mining companies are getting \$US1 350 an ounce. In a newspaper article dated Friday, 27 April, Newcrest announced that in the March quarter its production costs were up. In fact, its production costs were \$US1 460 per ounce. It was making a loss of \$US105 per ounce of gold but was persevering because it had downgraded the volume of gold it would produce this year from 500 000 ounces to 440 000 ounces. That still delivers royalties to Western Australia of \$19 million a year. That mining company persevered and that mine will be delivering \$19 million in royalties to the state's coffers, yet that company is losing \$US105 on every ounce. The benefit is that it is hanging in there. The mine employs 434 staff on site and 1 154 contractors—about 1 500 people have a job who would not have a job if it were not for the Liberal and National Parties blocking the gold royalty increase.

While I am on that matter, I will refer to a letter I received from the executive chairman of Northern Star Resources Limited. He highlights the benefit of the Liberal and National Parties blocking that increase—the hideous idea of raising that tax and the impact it would have on jobs. That “Dear Bill” letter states —

Northern Star Resources ... has recently announced a partnership with Central Regional TAFE Kalgoorlie to double our local apprenticeship intake from 7 to 14 positions, which now totals 26 across the Company. We are committed to training local people for local jobs, both young people entering the workforce for the first time and re-skilling locals looking for a new career.

They are focusing on job creation and growth, and the fact that we blocked the gold tax meant that it will be able to deliver those extra apprenticeships.

A member interjected.

**Mr W.R. MARMION:** The member does not get it. I will stay on this matter now. I will use Northern Star as an example and make up some figures. Let us say it does \$60 million a year of exploration and the gold royalty is increased, which means it will have to pay an extra \$20 million, it will have only \$40 million to spend on exploration. That \$60 million goes to jobs, drilling operations and economic activity. An amount of \$20 million of activity is taken out of the system and the state government has hold of it and can do whatever it likes with it.

I will finish on gold. Given the time, I had better jump to another issue. Unfortunately, defence and science and innovation issues will have to wait for another day, but it is good that the commonwealth government has announced the establishment of a space agency. We must try to get as much of that project as we can into Western Australia.

On to my electorate, I want to mention —

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

**Mr W.R. MARMION:** I cannot hear my own voice with the member for Armadale talking very loudly. I want to speak on the lead issue in the hospital. It was very pleasing to attend the opening of Perth Children's Hospital on Saturday. It is a terrific hospital and indeed it was a really good ceremony. I was fairly casual in rocking up to the opening. I had my Boubar Cafe Princess Margaret Hospital for Children coffee and I rocked up and realised that there were 300 or 400 people there and it was bigger than *Ben-Hur*. They eventually found me a seat and it was an extremely solid opening. I was disappointed; the architect of the hospital, Colin Barnett, probably could have had a bit more of a run at the opening even though I know that he would not have expected it. Without Colin Barnett's drive and him making sure that the revenue from the iron ore fines royalty was put aside for the children's hospital, we may not have ended up where we are today.

I want to touch on the lead issue, because lead in water —

**Ms S.E. Winton:** Was that Barnett's fault? Was he the architect of that?

**The ACTING SPEAKER (Mr I.C. Blayney):** Excuse me. Member, you said that you were not taking interjections.

**Mr W.R. MARMION:** No, I am not taking interjections.

**The ACTING SPEAKER:** Member for Nedlands, direct your comments to me.

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**Mr W.R. MARMION:** Yes, I will. People like to blame. I am not going to blame anybody for anything. If we blamed someone in engineering, we would never get the job done, because mistakes are made in engineering all the time. There would be 100 mistakes a day on a job.

**Mr J.R. Quigley:** Tell us about the bridge.

**Mr W.R. MARMION:** I do not have time to speak about the bridge, but I am sure that the opposition spokesperson for transport will spend some time talking about the bridge.

I finally got an email from Dr Paul Harvey, an environmental scientist from Macquarie University, who has done a lot of work on testing brass fittings and has written a number of papers. He was probably a bit cautious in his email to me; he does not want to blame anyone because it is not about blame. I am disgusted when people bring up blame, because everybody has made a mistake in their life and if we blame someone, we are putting them under pressure. The problem with the lead in the water at the children's hospital is the way that the sampling is done. There is no Australian standard. The National Health and Medical Research Council guidelines on lead do not tell us how to sample. That is significant. I will quote from Dr Paul Harvey, who wrote, after he explained how he does the sampling —

At the end of all of saying all of that, yes, you have identified a flawed system. It needs review and it needs clarity. Manufacturers, scientists, regulators and the general public need something clear and logical that they can refer to to help inform themselves and their decision making processes about the quality of the water they drink and the potential impacts that products in contact with their potable water may be having on the quality of that water. The system perhaps isn't broken, but it does need mending.

This is the problem: we do not have an Australian standard for how we sample. Indeed, the sampling technique used by Dr Paul Harvey, eminent environmental scientist, means that he takes one-litre samples. The problem is that the smaller the sample, the less likelihood it conforms. I see a scientist up the back, the member for Kalamunda, who understands basic statistics. That is what Dr Paul Harvey is saying. He writes, in fairness —

If you want to know about the fittings, sample using 1 L or less (depending on the size of the fitting), or first draw water.

He continues —

If you want to know about the premises plumbing, then a 10-15 second flush then 1 L is usually a good indicator volume to take. If you want to know about the source water reaching the home, then flush for 2 minutes then collect a 1 L sample.

That is not in the NHMRC guidelines, but it would be a good starting point if someone put something in. I think Paul Harvey might be on the NHMRC lead in water task force or he certainly consults to it. It needs to happen.

In closing, in the one minute I have left, I had my research officer confirm my qualifications on the University of Western Australia website. We can type in a name to check. It comes up with W.R. Marmion, Bachelor of Engineering conferred; and Master of Business Administration conferred. Members do not have to be me to check that. They can type in anyone's surname. Members can all rest assured that I have my qualifications, I have not lied to the Parliament and I am definitely an engineer.

**MS L. METTAM (Vasse)** [7.57 pm]: I rise to speak about the McGowan government's budget and the Appropriation (Recurrent 2018–19) Bill 2018 and the Appropriation (Capital 2018–19) Bill 2018 and, first and foremost, the impact on every Western Australian. That is reflected in the two things that I want to focus on this evening: the impact of the budget on the tourism industry and the small business sector, and on the electorate of Vasse.

This government has hit Western Australian households with \$730 in additional fees and charges over the last two budgets, which is a 13 per cent increase in fees. That is on the back of some pretty concerning statistics across the state. We have the worst unemployment rate that we have seen in Western Australia in the last 15 years—6.9 per cent. Thirty-five per cent of people are suffering mortgage stress and 122 000 households are feeling that pressure. These cost-of-living hikes are a significant burden on Western Australian households. That will not only be felt across regional WA and in metropolitan Perth, but also have an impact on discretionary spend, which relates to the tourism industry and the small business sector.

My first focus is the tourism portfolio. I voice my disappointment about the lack of emphasis on tourism in this budget. In the lead-up to the election, the Labor Party made big promises about the role of the tourism industry in the diversification of the economy. It said that tourism was going to be a growth area for government, a priority and an economic driver. The Minister for Tourism's script has very much been the same. He stated in September last year —

“Tourism is a key economic driver in WA that will help secure our future.”

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What we have seen in the budget is the opposite. That is on the back of some of the worst tourism figures in this state. There has been a five per cent drop in international spend against growth of 31 per cent in Tasmania and growth in South Australia—two states that do not have the sophistication of the aviation connections that we have here, which we are still trying to build on—and a heavy decline in interstate visitation. Although there is talk of \$425 million over five years—there has been no additional funding for marketing and events but in response to industry concerns about security of funding—funding for this portfolio has actually been cut. Cuts have been made to destination development, which ensures that the \$425 million over five years and the events and marketing funding remain stable. The destination development budget will drop by more than \$6 million over the next two years, from \$11 million in 2017–18 to \$6.47 million in 2018–19, to a heavier drop of \$4.8 million in 2019–20. Just last month, the Minister for Tourism was spruiking the merits of Aboriginal tourism and its potential for the state. We know from Tourism WA research that 78 per cent of visitors to this state have expressed an interest in having an Aboriginal tourism experience; however, only 21 per cent have had the opportunity to experience some form of Aboriginal tourism. Time and time again, tourism industry leaders recognise that Aboriginal tourism is a really important area to grow. As the minister said in April this year —

Aboriginal tourism plays an important part of Tourism WA's Two-year Action Plan which will attract more visitors to Western Australia, encourage them to stay longer, disperse further into the regions and do more while they're here.

What an opportunity to capitalise on this clear interest and further develop an interest in Aboriginal tourism. As I have said, we have seen the opposite in this budget because after June next year, funding for the Aboriginal tourism development program will be cut. This is an industry that brings in \$43 million and provides 339 full-time jobs a year, a number of which are in remote areas where employment opportunities are limited. It is pretty extraordinary that funding cuts are to be made to the Aboriginal tourism development program after June this year, particularly given the language of both the Minister for Tourism and this government until now. In the last three years the Aboriginal tourism development program has helped develop, mentor and market more than 20 businesses in this state. To cut all future funding to the program, which develops one of our most unique tourism opportunities—particularly in the international sector, where there has been such strong interest—defies belief and does not make sense at all.

I move on to the cruise ship industry. The McGowan government made grand claims that it would fix the issues relating to further development of the cruise ship industry, but we have seen the reputation of Broome trashed. The government announced \$7 million to dredge Broome port, which is still in the pipeline. The two-year action plan that was released in March states that growing the number of cruises boarding in WA is a key priority. However, this government has dropped the ball on implementing the plan, and this was front and centre when it was revealed last year that major cruise company Norwegian Cruise Line would no longer dock its ship *Regatta* in Broome because Broome port, which is overseen by the state government, had failed to install an all-tides gangway. I will quote a letter from Norwegian Cruise Line Holdings —

Broome is not the only port affected by tidal fluctuations, yet it is the only port we had to cancel on a 34-day voyage because of it. This not only negatively affects our image as a brand, but also the port of Broome. We will strongly reconsider booking your port in the future.

Broome is hosting the Australian Cruise Association's 2018 annual conference in September this year. Along with Cruise Broome, I encourage the McGowan government to make every effort to ensure that the federal funds that were received 18 months ago to build an all-tide gangway at Broome port are utilised to address significant tidal movements. This issue has already resulted in a 15 per cent reduction in major cruise liners going to Broome, and as Cruise Broome indicated, it has had a huge impact on the reputation of Broome as an international destination.

International education is another area. One of the first decisions of the McGowan government was to remove the incentives for international students to study in WA as part of its so-called jobs policy. This has led to a 12 per cent decline in student visas and, more specifically, has resulted in a \$387 million effect on the economy—revenue that we could have seen at our universities and in our local economy as a result of international students visiting here. Instead, they are not visiting WA; indeed, they are bypassing Perth and going to the competing states of South Australia and Tasmania. South Australia, Victoria and New South Wales continue to sponsor more than 2 000 skilled migrants annually, hence attracting more international students. We are not seeing the same attraction to Western Australia. Every other state is capitalising on the \$30 billion international education industry but we have significantly compromised it. This is an important tourism issue because we know that one student represents five international visits. Growing international tourism was a big focus of WA Labor in opposition. We have already seen its failings in government with the policies that it took to the election. These decisions have already hurt Western Australian tourism and are of concern to the industry.

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I will briefly mention the shark issue. It will come as no surprise that I raise this following a pretty tumultuous year in ocean sports events, with five major events cancelled or disrupted due to the presence of sharks in the water, and one such incident on the international stage for all to see. In fact, the BBC alone had a global audience of 372 million, all of whom heard that one of the state's and country's most prominent international destination events was compromised because of sharks. Again, I encourage the McGowan government to take this issue seriously and recognise that it has an impact on tourism and small business. The government must do more to mitigate shark attacks. It must use current technologies, such as trialling SMART—Shark-Management-Alert-in-Real-Time—drum lines to humanely tag sharks and remove them from the area. We also encourage a more conscientious approach to dealing with whale carcasses and how sharks respond to imminent threats when they happen.

In light of the machinery-of-government changes, some savings are shown in the budget papers for the agency's senior executive service reduction line, but I would argue that that is a false economy. We know that in Tourism, more than perhaps any other portfolio, it is important that the right people with the right experience lead the agency. I again call for the appointment of a dedicated chief executive officer for Tourism WA and mimic the concerns raised by the sector that the agency should be separate and outside government bureaucracy.

In terms of the small business sector, just briefly, we know foreign investment tax works well in hot markets such as Sydney and Melbourne, but why are we looking at such a decision here in a market that is a lot more depressed? I think that policy deserves to be questioned, particularly when we will not see the same gains as are seen in New South Wales and Victoria. The tax imposed on foreign buyers is excusable when the property market is flourishing but not when it is struggling, and that is what we are seeing here in WA.

On payroll tax exemption, we know that payroll tax is one of the worst taxes; it is a tax on employment. The former government became aware of some of the loopholes that were being taken advantage of by people in the small-to-medium business sector and addressed them in 2015, but that is no reason to remove payroll tax exemptions attached to the wages of trainees in our workforce. It threatens the upskilling of our older workforce and threatens the opportunity to attain and retain good staff and ensure they are well skilled. It also fails to reduce the tax burden on small businesses, which is always very important.

I will now talk about issues surrounding my electorate. Once again, no surprise, the Vasse electorate has been omitted from or overlooked in this year's budget. I guess the only difference this year is that the south west is actually mentioned on the map. Last time it was just Bunbury, Collie and Albany; we got the words there, so someone took notice.

**Mr W.R. Marmion** interjected.

**Ms L. METTAM:** We all know why Bunbury is on it.

**Mr T.J. Healy:** Don't forget Cape Naturaliste College.

**Ms L. METTAM:** It was committed to and funded under the former government.

**Mr T.J. Healy:** To \$20 million.

**Ms L. METTAM:** No, \$30 million.

**Mr T.J. Healy** interjected.

**Ms L. METTAM:** We are very pleased that this government did not cut funding for Cape Naturaliste College.

**Mr T.J. Healy:** You are saying to take responsibility.

**Ms L. METTAM:** Taking responsibility is prioritising important projects. Of course, we would not cut funding to a high school that is in the fastest growing regional area in WA. In fact, the Australian Bureau of Statistics suggests that in the next two years it will be the largest populated area outside Perth and Peel, and that is why there is an outstanding need to upgrade Bussell Highway. Answers to questions in Parliament recently confirmed that on the March long weekend, the busiest recorded days showed about 20 000 vehicle movements a day. The state government recently received \$560 million from the federal government to fund major infrastructure works, including the Bunbury Outer Ring Road and the responsibility of the dual carriageway

[Member's time extended.]

**Ms L. METTAM:** I expect that a commitment can be made for expansion of the Bussell Highway dual carriageway, going forward. In figures released in May 2018, the RAC named this stretch of road as one of the state's riskiest. I note that \$15 million has been allocated in the 2018–19 budget for priority road upgrades in the Collie–Preston electorate. I could not think of a better project to prioritise, particularly given the former government invested heavily in the Coalfields Highway. The expansion of the Busselton–Margaret River Airport

**Extract from Hansard**

[ASSEMBLY — Tuesday, 15 May 2018]

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has effectively come to a bit of a standstill under the current government. Again, it talked a lot about the importance of regional aviation and tourism. The Margaret River region is the most popular regional international destination and the project went through a rigorous process with the CEO at that time of the South West Development Commission, now the member for Bunbury. He is well aware of it, given he was quite involved in the business case developed for the airport expansion project. An optimisation review undertaken by the Minister for Regional Development last year could not find any justification to take funds from this airport project, but today the minister stated that she will put funding for the terminal on hold until she receives a firm commitment from an airline, despite there being significant interest. Putting funding on hold for important tourism infrastructure, which has largely already been funded at a state and federal level, is hardly a way to sell a region. This project will open the transport corridor from the east coast to the Margaret River region. It will obviously provide economic benefit and jobs to the region but it cannot and will not be successful without genuine support from this government. This project has been supported by the 12 local governments in the area. It has been supported by Tourism WA but it is lacking political support from this government. If the government continues to spruik about growing tourism and creating jobs, it must look at a project worth \$100 million to the local economy that will be instrumental in creating and supporting jobs in not only the tourism sector, but also agriculture and other industries. Importantly, we also need to see support from this government to market and promote the route.

The McGowan government decided to dilute the Margaret River Gourmet Escape and make it an event—everyone is confused about what it will be—that will apparently stretch over a number of regions. It will be a diluted event over two weekends, and it gives no confidence to the people of the Vasse electorate about how serious this government is about promoting the route between Margaret River and the eastern states.

A big concern around regional policing is that there is a heavy focus on services based in Bunbury—and commitments made in Collie, I should add. Recently, issues with some youth violence at one of our local high schools raised concern about the need for a dedicated youth intervention officer based in Busselton. I understand there are four in the south west but they are all based in Bunbury. There are significant concerns about 150 police officer redundancies when we need more officers on the street. While acknowledging the investment in bricks and mortar at Capel Police Station, we also need to see investment prioritised in police presence.

Just touching on education, I point out that we have a higher than average number of people under the age of 21 in the Vasse electorate. It will be the largest local government area outside Perth and Peel in the next two years. It is welcomed that the McGowan government has not cut the funds for the \$30 million expansion of Cape Naturaliste College. Our local schools also have outstanding needs. Dunsborough Primary School has 770 students and is bursting at the seams. It needs investment in its canteen and undercover area. Schools in west Busselton, Vasse and Cowaramup also need funding. The Minister for Education visited Dunsborough Primary School earlier in the year to look at the newly expanded administration block that was funded under the former government. It was quite evident to her that the undercover area needed funding since it cannot be used for a full school assembly, and the significant issues surrounding the limitations of the canteen were very prominent and obvious.

I will conclude my speech by talking about water charges. The Minister for Water has touted the water hikes of up to 5.5 per cent for households that we have seen in this budget as subsidising regional WA. That could not be more false, particularly in the Vasse electorate. In the interests of efficiency and transparency of Water Corp charges, the subsidies paid should be published on a regional and town basis as many cannot be justified. Busselton Water and Aqwest in Bunbury charge less for water than the Water Corporation and they are not subsidised by government for the primary supply of water. They still return good dividends to the government as well. The McGowan government continues to ignore the efficiency gains made by the smaller suppliers and the positive impact that their growth would have on a statewide water supply. This could not be more obvious than the Minister for Water's rejection of the Busselton water growth plan for the delivery of water into Dunsborough. It would have cost the state less because it would not have had to put up an operating subsidy. It would also mean cheaper or more efficient delivery of water to the Dunsborough area, given how much cheaper it is to deliver water from the Yarragadee aquifer to the homes of Dunsborough residents in comparison with the highly treated water that currently goes to Dunsborough residents via Water Corp.

If the Minister for Water were serious about regional water efficiency, the government would have supported the 2016 Busselton water proposal to supply water to Dunsborough at a cost that would remove all need for the government to subsidise that water service and provide reasonable returns to state coffers as well. This innovative project had another significant gain. It would have meant that the non-potable water that is currently being treated and going to homes would have been piped onto public open space and for school ovals as well. The Minister for Water put all those plans on hold when the Labor Party came to government. Documents received via FOI suggest that he rejected the plans before he even had a proper briefing by Busselton Water. We are still waiting. Dunsborough schools and sporting groups and the community are still waiting. Now they are raising concerns

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about why they are paying so much for this heavily treated water. Dunsborough water is currently supplied by Water Corp. Dunsborough residents will be hit with this heavier cost. It is substantially subsidised by government. It is at a cost to government as well. Householders in the town pay significantly more for their water than those in Bunbury or just up the road in Busselton.

That is just a snapshot of the budget from my perspective. Although we are seeing some of the worst tourism figures, we are not seeing any additional funding in the tourism spend; in fact, we are seeing cuts to destination development, Aboriginal tourism, caravanning and camping. International students are doing what international visitors are doing; they are bypassing WA as well. We have already seen a \$387 million hit to the economy as a result. The Vasse electorate looks much the same as it did last year, except we have another hit of an additional \$300 on household bills. The average bill for household costs is about \$730, which has an impact on small business. It has an impact on tourism and intrastate travel and it is bad news for Western Australia.

**MR R.S. LOVE (Moore)** [8.26 pm]: I would like to make a brief contribution on the Appropriation (Recurrent 2018–19) Bill 2018 and the Appropriation (Capital 2018–19) Bill 2018 that we have been discussing today. We cannot really talk about the budget situation in Western Australia without talking about a couple of wider issues, one of those being the current situation with the GST. This afternoon, along with a number of other members, we had the opportunity for a briefing organised by the member for Armadale. I thank him very much for his role on the Public Accounts Committee. It was very enlightening to have some of the information provided about the GST situation. As we know, GST is causing a lot of problems for governments in Western Australia being able to run a strong financial book. It happened with the previous government and it is happening now. In 2018–19, the GST share was 47.3 per cent of what Western Australia would have received if the distribution had been made on a per capita basis. That represents an amount of about \$3.3 billion, which is up, fortunately, from 2017–18 when it was 34.4 per cent and would have represented \$2.2 billion, but still \$3.6 billion below what our population share would be. That is a tremendous blow to the Western Australian community and the Western Australian economy. It is expected to rise to 64.9 per cent by 2021–22 but still be \$2.8 billion a year below what the population share would be. This is a completely unacceptable situation for Western Australia to be in.

Former National Party member for O'Connor, Tony Crook, stood up for Western Australia a number of years ago in the House of Representatives. He moved a motion to put a 75 per cent floor on the GST distribution to any state, including Western Australia. Unfortunately, no other members of Western Australian political groups came to the party to support Mr Crook. No Labor or Liberal members would support that action on the floor. The motion was defeated and Western Australia continues to be duded today.

With the coming by-elections in Western Australia, one would expect that the issue of the GST would be widely discussed, although I see that the Labor Party has been given a free run in the electorates of Perth and Fremantle. I think their strongest opponent will be the Greens. That is very disappointing. The National Party traditionally does not run people in Perth; we pride ourselves on being a regional party. It would be good if there was a conservative alternative for those seats and someone who would at least stand for a decent share of GST for Western Australia, because that is the issue killing this state financially and it is causing households to bear an ever-increasing burden, which they should not have to bear. It is not fair that our success as an economy and the particular structure of our economy works so against us that states such as South Australia and Tasmania benefit from our efforts in the way that they do.

**Dr A.D. Buti:** You raise a very good point, but the Liberals aren't even having a candidate in Perth!

**Mr R.S. LOVE:** I think all parties —

**Mr Z.R.F. Kirkup** interjected.

**The ACTING SPEAKER:** Members!

**Mr R.S. LOVE:** Okay. I actually have the floor, Mr Acting Speaker. Could you shut these guys down, please?

**The ACTING SPEAKER:** Members!

**Mr R.S. LOVE:** It is very interesting. If only their colleagues in Canberra would represent Western Australia with the same vigour, we might not be in this pickle.

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

**The ACTING SPEAKER:** Minister!

**Mr R.S. LOVE:** Given the mayhem breaking out in the chamber, I might very shortly move on to a couple of specific issues for my electorate.

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One thing I want to briefly talk about is the Building and Construction Industry Training Fund. The exemption for the resources sector will be removed from that fund. The fund receives money from projects, buildings et cetera and applies it to the training of apprentices et cetera, so that there is a continual base of skills in Western Australia. For a long time there have been complaints that the building trades, for instance, train people and the resources industry then takes on those trained people but does not contribute to that training effort. Incidentally, the National Party supports this—it has been a policy of the National Party for a number of years now to have the exemption for the resources industry removed. It is good to see that the government has taken the lead from the National Party in this regard. I believe that my colleague Hon Martin Aldridge in the other house moved a motion to that effect a little while ago to ensure that this exemption would be removed. Once again, the National Party is leading the way in responsible economic planning for the state. The other parties are being forced to accept the commonsense of that position and to go along with it.

Getting back to issues relating to the electorate of Moore, we earlier had a discussion about Moora Residential College. A reasoned amendment was moved to the motion to the effect that we would like the funding decisions made on 13 December last year reversed, so that Moora Residential College can be kept open, the camp schools will not be privatised, shut or whatever the result will be of the current decision, and for a range of other things. Also mentioned was the 20 per cent raid on the agricultural education farms provision trust. Other schools are affected by that, such as the agricultural program at Landsdale Farm School in Perth. We would have liked all those things to be reversed. Unfortunately, the house has not agreed with us and voted down that amendment. I understand that there is a bit of sensitivity about this. There is a history in the Labor Party, which does not like the idea that someone might block supply. I think something happened in 1975, which its members seem to recall. The decision by the National Party to move an amendment on this matter was entirely responsible. We are representing the interests of our community. The outrage that members of the ALP might feel about someone trying to modify a supply motion is understandable, but I would ask them to think that that same type of rage, concern and distaste is what members of my electorate feel about the funding situation affecting the electorate of Moore and other electorates with the decisions that were made.

We have heard both parties talk about their position on royalties for regions. The royalties for regions program is protected by an act of Parliament. That act was brought about as a result of the particular bargaining position of the National Party following the 2008 election. Everyone will recall that there was a period of negotiation and discussion between both the Nationals and the Labor Party and the Nationals and the Liberal Party prior to that decision to form government with the Liberal Party. As part of that decision, the royalties for regions program was born. That program was guided by the Royalties for Regions Act, which, under section 6(2), guarantees that 25 per cent of funding the state receives in the royalty flow should be set aside to provide for regional development. This is at the core of what the National Party stands for in trying to ensure that regional communities get a fair go. We will not take second best on this from anyone. The Royalties for Regions Act is quite clear—25 per cent of the royalty flow, not 25 per cent less whatever amount needs to be substituted, or some other figure that the Treasurer of the day might pick up and use. It is 25 per cent. That is the figure in the act and that is the figure we will accept. We will not accept any reduction in the royalties for regions program from any party. Unless that act is saying something I do not understand, it quite clearly says that 25 per cent of the royalty flow will be set aside. That is what we expect to see set aside. If that 25 per cent is set aside, a whole range of programs such as Moora Residential College become achievable. If that 25 per cent is not set aside, we find that regional projects must then compete against every other program, the same as any other ordinary discussion on a project-by-project selection. As we know, regional communities always get duded in those programs because we do not have the numbers of people to win the argument. There is a need, which is what the act recognises. We worked very hard to get that legislation into the Parliament. We will not stand by and have it diminished or dwindled to the point that it becomes meaningless; 25 per cent is 25 per cent.

Where is the 25 per cent going in this budget? There are a number of programs that I support, and I will talk about a few of those along the way, but what we are seeing is what we could call substitution—the use of royalties for regions funding to provide types of activities that are ordinarily provided by government. The orange school bus system has been operating in Western Australia longer than I can remember and probably longer than anyone in this place has been walking the face of this planet. Yet in 2021–22, the operations of the orange school bus system will come from royalties for regions to the tune of \$79.9 million in one year. That is an enormous amount of money to take from royalties for regions to fund something that has always been funded by government. It is not a new service. Some time ago there was a fund for orange school buses under the royalties for regions program, but that was to bring the buses up to standard—it was to make them safe and comfortable. It provided air-conditioning in a lot of buses that were not air-conditioned.

**Mr D.T. Punch:** What's the difference?

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**Mr R.S. LOVE:** The difference is that one is one-off capital expenditure and the other is operating costs that will go forever. Bringing the buses up to a modern standard by putting in air-conditioning and seatbelts, so that parents felt their children would be safe and comfortable, is different from paying for the diesel, drivers, insurance and all those things for years to come. But it does not stop there. The forward estimates outline an amount of \$134.7 million in TAFE subsidies. Since when has royalties for regions funding been needed to pay for TAFE to be provided to people in regional areas? It started when this government came to power and will begin in a couple of years. My maths is not too flash, but \$134 million plus \$79 million is nearly \$220 million. All of a sudden, it is getting to be quite a large amount of money. Then we look at water supplies. The ordinary expenses of providing country water, sewage and drainage operations kicks off in 2019–20—the year after this budget—with \$191.5 million. Then it grows to \$284 million in 2020–21, and \$320.2 million in 2021–22, making a total over the forward estimates of \$795 million, just to have taps turned on in country areas. I see the member for Kalgoorlie over there, and I am sorry that I stole his spot here, so to speak. A long time ago, water was provided to Kalgoorlie in one of the great engineering feats of Western Australia history, but I do not think it was ever envisaged that a program like royalties for regions would be used to keep that water flowing. To keep the water flowing out to Kalgoorlie, up to Mogumber or down to Esperance, or wherever, will use \$795 million of the royalties for regions program. That is an enormous amount of money from that program. We believe that the total allocated over that period is about \$4 billion, so that is a big percentage, just for that particular substitution. When we add those other substitutions in, it comes to well over \$1 billion, just in this period. It is more worrying that they are all cascading at the back end. The further we go into the future years, the less money will go into royalties for regions projects and programs to develop new things and improve services that are not there at the moment, and just to provide services that have always been provided. TAFE kicks in in 2019–20 as well, and these will only get worse into the future. Very big percentages of royalties for regions each year will be spent, so to speak, just keeping the lights on in regional areas, instead of doing the things that royalties for regions was put in place to do.

A couple of other funding changes are quite concerning. I have visited a number of community resource centres in my electorate that are very concerned about the funding arrangements being put in place. Each community resource centre will receive a standard amount of money that is considerably less than it is received in the past few years, to provide a much smaller level of service than previously. There are a couple of different stages—tier 1 and tier 2, which are most unfortunate terms to use in the wheatbelt. I do not know where the tier 3 centres are, but I do not see them prospering into the future. The dedicated people in the community resource centres deserve more respect than to be told that they could be replaced by a mobile phone.

[Member's time extended.]

**Mr R.S. LOVE:** We have seen the Premier in this place, and I know the Premier does not like social media but I saw this on the internet, and it happened in here. *Hansard* shows the Premier saying that community resource centres were superfluous nowadays because people have mobile phones. People do have mobile phones in many towns in my electorate, but they still have the need for a community resource centre. They provide a wide range of activities, and each one is unique. I know of one centre in my electorate that, due to the retreat of home and community care because of lack of funding, has been providing, out of its own resources, services to seniors in that town. With this funding cut, that is something it will not be able to do anymore, and those seniors will miss out. It is not just about mobile phones; it is about providing the core elements of social capital that every community needs. The beauty of the community resource centres is that they are locally managed and they morph in to fit the needs of the community that they represent. No two community resource centres are the same. I know that when they first started some of them were seen as being extensions of shires, basically doing the community development officer's work for the shire, but that is not the case anymore. They have all matured, developed their own boards, structures and strategic plans, and they are fitting the needs of their communities. To try to apply a blanket funding model over the community resource centre system is wrong, and will lead to a loss of capacity throughout that network, which is most unfortunate. For the bit of money that the government puts in, it gets an awful lot of volunteer returns. People put a lot of their own time into the community resource centres, either as board members or as contributors of unpaid labour into the centre, by working many more hours than they are actually paid for. Those types of things are not recognised by this kind of budget cut, and goodness only knows what the effects will be. It will certainly lead to some disruptions in that program.

A couple of years ago, with the downturn in the economy, some of the regional visitor centres were in trouble, and a program was put in place to provide some funding for them. I notice that, in this budget, that funding has disappeared. I do not know what the future will be for some of those centres, but if we are trying to build a tourist product in this state and trying to get people out of Perth and into the regions to experience what goes on there, we need things like those visitor centres. Again, a small investment by government brings a large return in volunteer effort. The centres also act as a marketplace, if you like, for small local producers to highlight their wares. If we are trying to build a tourist product, what better way to do that than to have local people coming in and displaying

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what is available in the area, and volunteering their own knowledge of the region, which might have been built up over decades or even generations. That cannot be replaced by something on the internet. It is the personal experience that many people are looking for. Although I know people often research tourist destinations before visiting, often when they get there the first port of call is to the visitor centre. It would be a great pity if that visitor centre structure was to be lost.

Talking about these issues, I want to acknowledge that the Kalbarri Skywalk, which is a very important project in the top end of my electorate on the Murchison River, is still being funded in this budget. It has been a topic of some conjecture in the Kalbarri community about whether that project was going ahead, and it is very pleasing to see that that at least has been kept, and is not one of those victims of cuts to royalties for regions that we have seen across many other programs, such as the Turquoise Coast Health Initiative. This program was funded by the previous government to the tune of \$22 million, but has been cut back to \$1 million, to provide some aged persons beds in Dongara. They are greatly appreciated by the community of Dongara; they need those beds. It was always part of the program, but it is a great pity that the other \$21 million of services for people on the turquoise coast has been lost. There are some heartrending stories of people who have been unable to access the type of health care that they need when they come out of hospital, and when their partner has an ongoing chronic health problem, and perhaps cannot even drive. Nobody will come to them; they have to leave the area. They have to find somewhere to go in Perth. It is a very heartrending situation for many people. Many people are falling through the cracks as we see some of the transitions, through home and community care which exists in some areas, retreating as a result of changes to different models of funding into the future.

I note that there has been a move towards the development of a standard charge for marine facilities. I cannot find the reference at the moment, but it is basically to provide a standard charge for marine facilities up and down the coast of WA. The rationale was that those facilities —

**Mr T.J. Healy:** Regional estuaries?

**Mr R.S. LOVE:** No; regional marine facilities were provided by the Department of Transport. That was to provide for greater cost recovery for the use of those facilities.

A significant proportion of the Western Australian rock lobster industry operates within the electorate of Moore. About 10 or 11 years ago, the puerulus count collapsed and the industry changed from being an industry based on a catch regulated on restrictions based on effort to one based on quotas. That led to hundreds of boats in my electorate leaving the industry and hundreds of boats across the state bowing out of the industry. That has meant many coastal facilities, jetties, small marinas and landings have fewer boats in the commercial fleet gaining the return they need to be viable. If we are going to increase charges on a smaller and smaller number of boats, all that will do is drive people away. People have other options. I know that people have left jetties that have, for instance, refuelling facilities and are creating their own refuelling facility, by running a line across the sand, out to the boat, holding the hose in the boat and squirting in the fuel. That is not a great outcome and it should not be encouraged. The Labor government seems to be reinventing the problem.

I was the Shire President of Dandaragan when Hon Alannah MacTiernan was the then minister for the then Department of Planning and Infrastructure. It controlled those facilities and tried to do exactly the same thing. It tried to squeeze the last few dollars out of the users of those commercial facilities. That eventually led to a situation whereby people were not using the facilities and the facilities became more and more unviable. I am really concerned about what will happen if the government actively raises the cost of using those facilities. It is not a great outcome if it means forcing people away from facilities because there will be potential environmental consequences.

The previous Liberal–National government recognised this conundrum. In the case of the Jurien Bay marina, for instance, one such facility where the commercial use of the facility has decreased over the years, it planned to develop an economic base for the area and for the facility that was not reliant on the crayfishing industry and a couple of other commercial users. That plan was to build an integrated tourism and commercial harbour facility in a place that had always been used as a commercial facility. The problem is that the government, in managing these facilities, has always had on blinkers and thought that they are simply there for commercial use. The numbers are not there anymore to make them viable for commercial use. A range of users have to be found for those coastal facilities—recreational boaters, commercial boaters and onshore users of the facility; it may be tourists, caravan parks, camping facilities and marina developments on the outside—things that can actually make a return and activate those marine facilities and bring some much-needed dollars into the towns and also provide an economic base upon which to make the facility self-sustainable. The approach of simply trying to raise more money from the existing users will not work and it will be a burden on communities that have already suffered an awful lot since the reduction in numbers of people involved in the fishing industry up and down the coast. The towns are

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viable and the facilities are there, but let us not drive people away from using them; let us find ways of encouraging them to use the facilities and think of something more innovative for the future rather than simply putting up prices to recover costs.

With that little contribution I will wind up and let the member for Kalgoorlie make his contribution.

**MR K.M. O'DONNELL (Kalgoorlie)** [8.55 pm]: Greetings, Mr Acting Speaker; and, thank you, member for Moore. I wish to speak on the 2018–19 state budget as well as speak about my electorate. The government broke down the budget into nine regions. It then broke down those regions into three categories—snapshot, projects underway and supporting regional WA. Many lines mentioned in snapshot were duplicated across regions with an amount blanketing several regions but with no breakdown per region. The Treasurer's task to bring down a budget can be difficult. No matter what he does, some will be happy and others will not be so happy. Since being elected I have found this to be the case when dealing with constituents. Take Mother's Day in the goldfields, for example. The weather was great; low 20s and sunny. I would say, "What great weather we are having for Mother's Day." Yet there was always someone who said, "No, it's not. It's terrible weather"—in other words, I cannot win.

Getting back to the budget, the Treasurer gave my region two specific new items. One was the job creating infrastructure in the goldfields item, which every region received. In fact, my region received one new goldfields-specific item. That was \$745 000 for much-needed maintenance work for the Goldfields Arts Centre. I will do what I have been doing since being elected: I thank the Treasurer for this and I thank the Minister for Culture and the Arts, the member for Mandurah, for his input and persuasion. I have no doubt he contributed to this windfall. The people of the goldfields thank him. The funding to the Goldfields Arts Centre is very good news. This is an important facility for the goldfields community. The ongoing operations and maintenance of the centre will enable Kalgoorlie–Boulder and the greater goldfields community to enjoy arts and culture locally. Many of these opportunities would not be possible without this facility. We do not have another venue like it. The size of the centre means that we can bring the biggest shows to town so our residents do not miss out. We also have a lot of local talent with great theatre groups and other performing arts that benefit from the use of the centre. Performing in that type of environment helps develop performers and puts them in good stead to compete for opportunities in the metropolitan area. There are many facilities and opportunities not provided for in the goldfields, causing residents to travel to Perth for services. However, having the Goldfields Art Centre means one fewer trip to Perth, and we can retain employment and other opportunities that can be generated by the centre.

I turn now to job creating infrastructure. The goldfields was allocated \$73.2 million for job creating infrastructure. "Fantastic," I thought, "We'll take that." However, I then checked what every other region received and I realised it was not quite so good. We actually received breadcrumbs compared with the other regions.

**Dr A.D. Buti:** Fresh or stale?

**Mr K.M. O'Donnell:** I will mention my figures first.

A total of \$2 179.1 million was distributed among nine regions for job-creating infrastructure. In pole position was my good friend from the Pilbara, with \$808.2 million; followed by the south west, with \$406.7 million; the wheatbelt with \$295.8 million; the Kimberley, with \$200.2 million; and the midwest, with \$122.8 million. Even Peel got even more than the goldfields, with \$124.2 million. The great southern got \$83.2 million. In eighth position was the goldfields with \$73.2 million. Last was the Gascoyne with \$64.8 million. The \$73.2 million allocated to the goldfields was less than three per cent of the total amount allocated for job-creating infrastructure, yet the Pilbara was allocated \$808.2 million, just under 40 per cent —

**Mr K. Michel** interjected.

**Mr K.M. O'DONNELL:** He can gloat—40 per cent.

Several members interjected.

**Mr K.M. O'DONNELL:** If five per cent of that money, my friend, were reallocated—I am sure that the member for Pilbara has some sway with his party—to the goldfields, we could have Laverton Hospital up and running. If each remote region—I am referring to the Gascoyne, goldfields, Kimberley and Pilbara—were allocated a minimum of 10 per cent of that job-creating infrastructure, they could build the necessary infrastructure and attract residents and tourists. Sure, the Pilbara needs more. He can take the leftovers.

The new funding for the Kimberley Aboriginal Law and Cultural Centre to document and teach Aboriginal languages is very positive, as is the funding for the capability program for Aboriginal businesses.

The ongoing projects funding is, of course, great and much appreciated. We will get the dualling of Great Eastern Highway between Anzac Drive and Gatacre Drive, which is heavily utilised and provides primary access to the town of Kalgoorlie–Boulder.

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**Mr T.J. Healy:** That is \$12 million. That is a good chunk.

**Mr K.M. O'DONNELL:** Yes, I am not knocking it.

Our step up, step down facility is getting closer. The facility is essential for, and desperately needed by, our community. The new facility planned for completion in 2020–21 will help to address the current gap in services, providing individuals with support to transition from acute mental health care to avoid hospitalisation. I would like to see the delivery date brought forward. However, it is still great news to have that facility.

**Mr T.J. Healy:** That is \$4.3 million next year; that is a good chunk of money as well.

**Mr K.M. O'DONNELL:** That is over three years. I hope the member for Southern River remembers all the things that the Liberal–National government did, if anything opens up in his area or things like that.

The continuation of the exploration incentive scheme is very important and that is very good. It will mean new mining opportunities are being identified, which has a flow-on effect, generating employment benefits to the local community and significant funds for the state.

The provision of a 64-slice CT scanner to replace existing facilities at Kalgoorlie Health Campus is very welcome. The community has some concerns that the machine's capacity is limited, being an entry-level unit, and will not accommodate all local needs. That being said, we will take it. It is an improvement on what we have had previously and it will benefit the community.

It is extremely disappointing to see that the Laverton Hospital upgrade has once again been overlooked. I have spoken about the need for this upgrade many times. It is important that people in the metropolitan area appreciate how vital it is for an isolated regional town such as Laverton, 400 kilometres from Kalgoorlie–Boulder, to have adequate facilities. Laverton's isolation alone is enough reason to have adequate facilities for its local community members. However, the region also receives a large number of passing tourists and a number of travellers use its services. Laverton is the main centre for travellers accessing or returning from the Ngaanyatjarra lands. A number of outlying remote Aboriginal communities rely on the town of Laverton and its services to meet their health and other needs. The hospital must have suitable facilities to accommodate this mix of residents and visitors.

There is great potential for things to go wrong in isolated parts of WA. When an incident occurs, an emergency response can be delayed due to the distance involved and sometimes environmental issues interfere with the emergency group's ability to respond promptly. In these types of situations, the hospital upgrade is even more important to enable the isolated local services to manage critical incidents on their own, supported by adequate facilities. The state government has committed to health infrastructure in this budget and the Laverton community has fought hard for this funding over many years. However, it has been overlooked once again.

I refer to the Government Regional Officers' Housing rent increase. The rent increase for employees in regional areas under the GROH scheme is a bad idea. This will be the second time in 12 months that rents have been increased. There was significant opposition to the last increase, with great concerns expressed about the ability to attract and retain quality employees in the regions if the incentives are not there in rent subsidies. This second increase will be even worse as it is bringing the rent cost closer to the private rental market and reducing the incentives that bring staff out to the regions. In many regional towns, government employees decide to take a position in a regional area because there is an incentive whereby rents are subsidised, providing the employee an opportunity to get ahead financially before returning to the metropolitan area. However, there is also the issue in regional areas of higher living costs, so there must be subsidised rent and incentives to attract people to these locations. In some cases, people find that they like the environment and choose to stay long term. However, these are the minority, with more people choosing the relocation for the position's tenure of several years. If we do not make regional postings attractive, we will struggle to attract quality staff. In some locations we are already struggling to get experienced staff. If we further increase GROH rents by \$30 a week, people will start thinking twice about coming out to the regions.

I refer to education. We have not seen anything in the budget for our schools in the goldfields.

**Mr T.J. Healy:** Kalgoorlie–Boulder Community High School, \$2.8 million.

**Mr K.M. O'DONNELL:** No, in what they have put out, our snapshot —

**Mr T.J. Healy:** Page 301.

**Mr K.M. O'DONNELL:** I am just going through the snapshots, and the one that was dished out —  
Several members interjected.

**Mr T. Healy** interjected.

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**Mr K.M. O'DONNELL:** I thank the member for Southern River. Based on what I have read so far, we have not seen anything in the budget for our schools. If we do not invest in regional and remote education, our ability to attract and retain families in regional areas, such as the goldfields, is affected.

**Ms S.F. McGurk:** We'll tell you how to use the search functions on your laptop during the break.

**Mr K.M. O'DONNELL:** I will take the minister up on that.

When an individual with a family secures a mining position in the goldfields region, there is often an opportunity to relocate the partner and children to Kalgoorlie. One of the first things that a family will do in that case is look at the standard of schools and the community facilities in the area. If the schools are not up to scratch, this could deter families from relocating to the region.

The goldfields region has once again missed out on the Coolgardie post office upgrade. This facility would provide the small community in Coolgardie much needed accommodation for a number of services, including an Aboriginal drop-in centre.

The Eucla airstrip is still very much in need of an upgrade. The airstrip is useless in the wet season, causing any necessary landings to occur on the highway.

**Mr W.R. Marmion:** High clay content of the soil.

**Mr K.M. O'DONNELL:** Yes. In these events, we can imagine the amount of time and resources that must be allocated to the landing of a plane on a road that is a gateway to Western Australia from the east. This is not ideal and we should not have to close a major highway for these events. Eucla is an isolated community; it is essential that it is accessible by plane. We must get this airstrip upgrade underway.

I am repetitive, but I refer to the Wiluna–Meekatharra road sealing. It is not in my electorate, but it is vital to link the north west with the goldfields. Our region would benefit greatly if works were completed to seal the Wiluna–Meekatharra road. A 180-kilometre stretch of that road remains unsealed, but has the potential to act as a gateway to the north, bringing great opportunities to the goldfields and the north west.

**Mr D.T. Redman:** A good one for jobs and economic development—a big multiplier, \$60 million.

**Mr K.M. O'DONNELL:** Yes. I think they will come to the party before the next election.

**Mr D.T. Redman:** I doubt it.

**Mr K.M. O'DONNELL:** The sealing of the road is estimated to cost about \$60 million. The benefits for the state are significant. In comparison with the distances of road that are already sealed leading to this location from both the north and south, the area requiring the works is quite minimal.

I refer to the Golden Mile Trotting Club.

**Dr A.D. Buti:** We will be bankrupt by the time we get through your electorate.

**Mr K.M. O'DONNELL:** Ha!

The recent decision to remove race meetings from the Golden Mile Trotting Club in Kalgoorlie–Boulder is disappointing and will have an impact on the community. The Golden Mile Trotting Club in Kalgoorlie–Boulder was established in 1904, so 114 years of history are just being wiped. Back in 1904 was the battle of Port Arthur, the commencement of the Russo–Japanese War. The first comic books were created.

Several members interjected.

**Mr K.M. O'DONNELL:** During my research, I did not write that one down—sorry. Dr Seuss was born. The first Rolls–Royce car was released. Sydney's electric streetlights were turned on for the first time. There is history.

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

**Mr K.M. O'DONNELL:** The trots are gone.

Several members interjected.

**Mr K.M. O'DONNELL:** Are you the regional party? No.

The club has been a strong supporter of the community for many years, providing trots and racing. However, it is not just about horses and racing. The club is a big part of the community. The club contributes to the community by providing small business opportunities, including for family entertainment, food trucks, media operators and pyrotechnics, and opportunities for local employment with 27 paid positions each race night. The club supports

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local charities by holding charity race nights, including Give Me 5 For Kids and Cash for Kilos. I am sure some members here might go into that!

The club holds a New Year's Eve event every year, which is family friendly and something that the community looks forward to each year. We risk losing members of the community whose livelihood is linked to racing and who may look to relocate as a result of the decision to cease race meetings at the club. If we lose these individuals, we will also lose their families and that will have a flow-on effect in the community. I would like to see the Golden Mile Trotting Club receive a three-year extension, with achievable key performance indicators set. I sincerely hope we see the race meetings reinstated promptly in time for this year's race round, which brings thousands of people to Kalgoorlie-Boulder.

Since being elected, I have been an advocate for police officers, police auxiliary officers and community relations officers. Just recently, the police department allocated some money for an operation to crack down on antisocial behaviour on streets in the central business district of Kalgoorlie-Boulder. The operation ensured that foot patrols were conducted on both day and afternoon shifts and pushbikes were also utilised. Within two days the patrols had worked with the desired effect.

[Member's time extended.]

**Mr K.M. O'DONNELL:** The Commissioner of Police attended Kalgoorlie-Boulder and said that he would commit more resources. Whether that is more police officers, auxiliary officers or community relations officers, the people of Kalgoorlie-Boulder will be elated and they will continue to help and support those police officers who are already stationed in Kalgoorlie-Boulder and who do a great job. Speaking of police who do a great job, I commend the police officers who attended the scene in Margaret River. When I was a police officer, I attended many suicides, murders and serious assaults. It is not good. I have been to incidents in which people have suicided by shotgun and hanging. I have seen people who have died in airplane crashes and who have been burnt and we had to bag the bodies. I commend the emergency response people who also attended and who do such a good job.

During my election campaign, I said that royalties for regions needed to evolve. The idea and concept of royalties for regions is fantastic and clearly the regions are better for it. Some projects funded by royalties for regions over the previous eight years did not hit the mark, but many others did. Naturally, the Labor government has taken control of royalties for regions under the guise of saying that royalties for regions will continue under Labor. But the money that is allocated is supposed to be for infrastructure. I have heard both sides say that over the years some things had not really done that. I hope that royalties for regions is still there in some way, shape or form to provide infrastructure. If the money goes unused, we would be funding those things that are the core business of government with consolidated revenue. Yes, the royalties for region dollars are staying in the regions, but they are not always entirely spent on what they were originally intended for. Members in the house who live in the metropolitan area might think that it is okay to not spend royalties for regions money in the regions, whereas regional members know full well that royalties for regions money should not be used to pay for services provided by consolidated revenue. That should do.

**DR D.J. HONEY (Cottesloe)** [9.15 pm]: First, I would like to address issues in the electorate of Cottesloe and then I will move on to issues in my shadow portfolio of water. The most pressing issue for people who live in the electorate of Cottesloe is traffic congestion on Stirling Highway and Curtin Avenue. People face substantial delays and stress commuting to work and getting their kids to school on a daily basis. It is not just an issue for people who live in my electorate; it affects a very large number of residents and pretty well everyone who is moving north to south or vice versa and who uses either of the two Fremantle bridges, Canning Bridge or the freeway via Mount Henry Bridge. Just about everyone who lives in the western part of the city and commutes across the river travels across the two Fremantle bridges and uses Stirling Highway or Curtin Avenue. The high traffic density is exacerbated by the 18 schools in the electorate, which substantially increase the amount of traffic exiting and entering the major roads causing disruption. It is further compounded by the extremely restricted rail crossings. There are nine rail crossings in the electorate and four of those are level crossings. A really significant issue in the electorate is traffic congestion on the Fremantle bridges and Tydeman Road, which has dramatically increased because we simply do not have a solution to the problem of traffic to and from the port of Fremantle. As I have mentioned before in this place, this area is, frankly, becoming quite terrifying to drive through. I have not seen a significant commitment to do anything about this issue in this budget. It is simply not only an issue for people living in the western suburbs, but also the very large number of people who need to commute through this area. It is a very important issue for tradespeople and others who work in the area. This issue will worsen and become a greater impediment to both commercial and commuter traffic. It is a situation that will dramatically worsen in the short term. The government needs to make proper plans to remedy the issue. We need a solution to the through traffic and the heavy traffic to and from the port. We cannot wait another four years or more to begin detailed planning and construction of the required road improvements.

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The most pressing social issue in my electorate is the high level of antisocial behaviour in Mosman Park. For example, the police recorded 947 offences just for the Town of Mosman Park in 2016–17. That is two or three offences every single day. Police response times in the electorate are completely inadequate. Some members may remember the attempted carjacking and home invasion of a young couple in February this year. Two men attempted to carjack a young woman's car at 9.30 pm. When she escaped, they followed her home and attempted to smash down her front door to gain entry to the house. Her husband was at home. They waited one and a half hours for the rapid response to the incident. By any measure, that response time was completely inadequate. If something had gone wrong, the police would have simply arrived in time to put chalk marks on the ground. Fortunately, they did not manage to get into the house. By all accounts, this is the typical response time when people in my electorate call the police for urgent assistance. I am extremely concerned that the government has cut 120 personnel from policing since 2016–17 and that this budget has further cuts to the police, with a reduction of an additional 218 police and staff over the next four years and cuts of \$30 million to the police budget over the same period. I am concerned that these reductions will further exacerbate what is already an unsafe situation for people living in my electorate.

Commuter and recreational cyclists have been demanding improved facilities in my electorate for some time, and I congratulate the government for committing to the completion of the principal shared path in Grant Street to Fremantle. There is a very large demand from both commuter and recreational cyclists who travel from Perth to Fremantle, and we should not underestimate how much recreational cycling on the weekend can drive the local economy. An area that requires further attention is access to the beach from the principal shared paths. We have seen several serious accidents with people travelling between the beach and the current PSP, which terminates at Grant Street. There seems to be a barrier for funding other cyclepaths in the area. There is no funding at all for the Town of Cottesloe, which is attempting to do work on some six cyclepaths this year. Another impediment to councils undertaking cyclepath work is the expenditure threshold of \$250 000 in state government support. At least one council in my electorate has cited this as a barrier to its undertaking any cyclepath projects. I believe there is an opportunity for the government to encourage additional cyclepath improvements and construction by lowering this threshold. I also hope that we are not seeing the important issue of provision of money for cyclepaths being used as a vote-buying exercise, where Liberal and National seats are being denied their fair share of this funding.

I echo the comments of the member for Nedlands that this budget will have a dramatic impact on the poorer people who live in my electorate. I heard a comment from the member for Armadale when I spoke on this matter before. It may interest members in this house that 3.2 per cent of Cottesloe residents are in social housing, which is 590 residents in the electorate. Armadale, which the member told me was an area proliferated with social housing, has only 4.2 per cent.

**Dr A.D. Buti:** That is such a misrepresentation. When you say Armadale, did you include Camillo, Seville Grove, Kelmscott? Don't misrepresent the situation. How silly. Are you the member for struggle street? How ridiculous to say Armadale has less social housing than Cottesloe.

**The ACTING SPEAKER (Ms J.M. Freeman):** Member for Armadale, enough. Stop. I call you for the first time.

**Dr A.D. Buti:** That is pathetic.

**Dr D.J. HONEY:** Madam Acting Speaker, I will move on to my shadow portfolio.

**The ACTING SPEAKER:** I am still on my feet, actually. You should be sitting down. I will let you have your say. You had your say. It has finished now.

**Dr A.D. Buti:** Member for struggle street!

**The ACTING SPEAKER:** Member for Armadale! You are called for the second time.

**Dr D.J. HONEY:** Moving on to my shadow portfolio of water, members in this house may recall the old cartoon *Mandrake the Magician*. All sorts of dastardly situations were remedied when Mandrake would gesture hypnotically. That appealed to me as a youth. Younger members in the house may recall a modern example of Steven Frayne's stage persona of "Dynamo". In any case, it is clear that the Treasurer must also have been an observant fan of these magical heroes. What we see in this budget would have made Mandrake marvel at the Treasurer's hypnotic dexterity. Firstly, we see a 5.5 per cent increase in water charges hitting every family in Perth. However, with a wave of his magic hand, the Treasurer would have us believe that this is perfectly acceptable because he will slug the wealthy water guzzlers in the western suburbs. What is the truth? What is really going on behind this mesmerising hand gesture? It will not hit the wealthy households; it will hit every family in Perth, and in particular large families and people with large blocks—people in Armadale, Swan Hills, Belmont, Kalamunda, Wanneroo, Bassendean, Kwinana and Rockingham. In truth, the households that use the most water are households

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with bores using an estimated average of 730 kilolitres each year. These are the households that typically have the lowest metered water usage at an average of around 140 kilolitres a year, and subsequently pay the lowest water rates. The simple fact is that the McGowan government is not genuinely interested in reducing water consumption. It is simply using the Water Corporation as a cash cow to fund election commitments. As I mentioned before in this house, in 2018–19 the government is forecast to receive nearly \$1 billion in tax and dividends from the Water Corporation, rising to \$1.24 billion by the end of the forward estimates. Across four years, the government will rip just shy of \$4.4 billion from the wallets of water consumers in tax and dividends.

I have listened to the response from the Minister for Water and others to justify this massive tax on metropolitan families. They have said variously that they are trying to reduce water consumption, which is patently untrue and I might say untrue according to even the Water Corporation or that they are only doing what the previous government did.

**Mr C.J. Tallentire** interjected.

**The ACTING SPEAKER:** Member for Thornlie!

**Dr D.J. HONEY:** They are only doing what the previous government did; the profits from metropolitan water users are being used to subsidise the losses from regional users. Let us consider those. Again, we see the hypnotic hand in action. The previous Liberal government did not over-recover from metropolitan water users. It recognised that we would be moving into a position of over-recovery and, as a good government would, properly commissioned the Economic Regulation Authority to carry out a review of water supply cost recovery so it could adjust water charges to remedy the over-recovery. The ERA report was completed in November 2017. The government has had plenty of time to understand the results of the review and to act to prevent this tax on families. The ERA found that if water prices increased by six per cent, as forecast in the last budget, the government would recover \$338 million more in revenue—that is \$338 million more in revenue than the efficient cost of providing this critical basic service. That is 26 per cent more than the efficient cost of supply in the Perth area. The figures show that this over-recovery would amount to an average of around \$400 for every single household in the metropolitan area.

In answer to a question in the other place, the government admitted to charging metropolitan water users 120 per cent of the cost of providing that service. That amounts to a 20 per cent water tax and, as we know, that amount will increase as a result of the government's 5.5 per cent increase in water prices. The previous government did not over-recover and did not intend to over-recover. Stating that the current government is only continuing the practice of the previous government is more than deceptive; it is untrue. There appears to be a good justification for subsidised water use charges for regional users. This is a practice supported by successive governments, Labor and Liberal. However, this has previously been appropriately funded from consolidated revenue as a social obligation. Those governments have prioritised their tax and other income to fund this requirement. The implication from the Minister for Water's explanation when he refers to consolidated recovery numbers for both metropolitan and regional users is that the subsidy is somehow the responsibility of metropolitan water users. What possible logic drives this decision? This subsidy is a social responsibility and, like other social responsibilities, it is a cost that should be borne by the general community and not hidden inside the Water Corporation's budget. The whole issue of cross-subsidisation becomes all the murkier when we see what is happening with the misapplication of royalties for regions funding to fund this subsidy. The forward estimates indicate that there will be a progressive increase in the misapplication of these funds from \$191 million in 2019–20 rising to \$320.2 million in 2021–22. This last year represents 32 per cent of the total annual so-called royalties for regions funding commitment. A few issues arise from this misuse of the royalties for regions funding. It is sleight of hand. Why call this royalties for regions? Why try to mislead the regional public with a form of words? Be up-front. The government is simply funding this social obligation from consolidated revenue and cutting royalties for regions to pay for it. Because of the aforementioned over-recovery, this money will simply flow directly back into consolidated revenue in the form of the inflated Water Corporation dividend. Mandrake would be proud! It appears, disappears and appears again in another place—all without a puff of smoke. The Premier and the Treasurer often lecture this side of the house about being direct and sincere. I recommend that they follow their own advice.

The over-recovery for wastewater in the metropolitan area is the standout from the budget. We know that in 2017–18 the Water Corporation's level of cost recovery for wastewater was 188 per cent, so almost twice as much as the cost of providing those services. This situation will only worsen as a result of the latest reported budget increases. This over-recovery hurts everyone. The minister cannot hide behind the illusion of the water guzzlers for this one. Wastewater charges represent around one half of all water bills, and it will hit every single family in Perth.

The government already knows that excessive government charges are a problem for struggling families. It knows that around 35 per cent of all households with mortgages are suffering mortgage stress; that is, over 30 per cent of

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household debt is going towards paying off the mortgage. It knows that we have record high unemployment of above 100 000 people. In particular, the government knows this is a problem because there has been an unprecedented increase in demand for its hardship utility grant scheme, designed to offer assistance to those suffering financial difficulty paying their utility bills. The first response by this government was far from magical; it simply placed a six-month moratorium on access to the scheme to save money. The problem with that decision is that it pushed tens of thousands of Western Australian families deeper into debt and created even greater financial hardship. Now we see another sleight of hand with the HUGS payments being buried inside the Water Corporation, somehow dressed up as new government initiatives. We saw great fanfare for this the other day with two initiatives: Start Over and Time Assist. What is it? Is it sleight of hand or misdirection? It is plain to see that the families that pay their water bills will be funding these initiatives. These initiatives should be funded, and were funded, from consolidated revenue. There is no equity in this decision; it is simply another tax on families using water.

The government has failed to address the recommendations of its own ERA report because it needs to keep overcharging the people of Perth to fund its unfunded election commitments. In the 2017–18 budget, the government increased the dividend payment ratios for nearly all the government trading enterprises in order to strip cash out of the businesses to pay for its commitments. That measure increased dividend payout ratios, or at least revenue, by \$440 million over the four years. Eighty-five per cent of Water Corporation profits are now returned to the Treasury coffers, leaving little for investment in new water sources and replacing ageing infrastructure.

[Member's time extended.]

**Dr D.J. HONEY:** We are seeing a \$4.4 billion tax over four years coming from the wallets of water consumers. The government continues to run the argument that the increases are necessary to fund country users of water but, as I have shown, these increases are simply adding to consolidated revenue. In the last budget, the Treasurer also capped the senior water service rebate at \$100. Further, the government is transitioning the funding of regional operating subsidies from consolidated revenue to royalties for regions. In spite of these reductions in the operating subsidy and cuts to the capital works program, the Premier and Treasurer increased water prices by 6.6 per cent last year and 5.5 per cent this year. That is almost 13 times the inflation rate over 18 months. The government is using the provision of a vital service to hold people hostage with massive price hikes, hurting all families, in particular larger families that are already struggling with the massive utility hikes in the previous budget. For all the obfuscation, this simply adds up to a massive new tax on families.

The budget includes a number of other assumptions that should raise considerable concern for the people of Western Australia. In particular, the budget shows a deferral of \$200 million for a new water source from the 2019–20 estimates period, to the 2021–22 estimates period, to some undetermined future date. The assumption that we can safely defer this investment appears to be extremely optimistic, based on the fact—this comes from the government's own budget papers—that we had an average winter last year and that people will stop using water because of the higher charges. In fact, the same budget papers put a lie to this, with the Water Corporation reporting that water usage will increase by two per cent, year on year. The government's own budget papers indicate that the Water Corporation is expecting an increase in water use, not a decrease in water use.

The government's own budget contradicts its decision to defer new water sources and highlights the challenges, with the major water sources at the moment, groundwater and desalination, providing the majority of Perth's water. This deferral appears to be more wishful thinking than any form of prudent planning for the future. As we have already seen this year, we are facing a well-below-average winter rainfall, and the supposed reduction in water usage from higher charges is pure guesswork and, in fact, based on the Water Corp's own predictions, completely wrong. Ministers would know that we have had a drying climate trend for over 30 years and there is no evidence to show that this trend has reversed. It is extremely difficult to understand how the government can use a single year of average rainfall as part of a justification for deferring this important infrastructure. The dams are now only a minor contributor to total water supply, with the great majority being provided from groundwater and desalination. Any prudent government would be making adequate provision for the future supply of water to our city and regional customers by expanding these sources. It is too late to initiate these projects when we are facing future water shortages. As an example, the cost of recovery for desalinated water, if we were to build another plant, sits below the budget cost of \$4.40 a kilolitre for water charges above 500 kilolitres now, and it would be more prudent for the government to fund a new desalination plant from this revenue.

The ERA notes that people do not respond to price increases in the short term by reducing water consumption. It is even more difficult for large families or those on low incomes to reduce water consumption. It seems pretty clear what is driving these foolhardy assumptions to push out this capital expenditure. We have a state government that has made large unfunded election commitments and is desperate to fund these in any way possible. One way—a very unjust way—is to use the Water Corporation as a cash cow and as a taxation agency to fund unfunded election

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promises, and along the way compromise sound management decisions without proper planning for a new water source. Hidden behind the smoke and loud music of the Treasurer's mesmerising act, we see other charges increasing without any detailed explanation. We see an increase in regulatory fees and fines from \$23.8 million in 2017–18 to \$33.7 million in 2021–22, even though those fees have been stable over the previous two years. I am looking forward to a more detailed explanation from the minister when we go to estimates. Are we going to see a revenue-raising exercise with enforcement or are we going to see fees increase to industrial users? The rural water grants are being cut from \$2.35 million in 2017–18 to only \$687 000 in 2021–22, another attack on regional areas. This scheme was helping farmers identify alternative watering points and improve degraded water sources. We also see an apparent elimination of the Water for Food program, with the previous forward estimates allocation disappearing in this budget. This was an important initiative that was being used to foster irrigation projects that are critical enablers for higher value-added agricultural production. These industries offer significant employment opportunities in the regional areas. I am interested to see what the government is doing to replace these important initiatives.

In conclusion, this budget has all the hallmarks of a spectacular magical affair, sleight-of-hand tricks, smoke and mirrors and disappearing millions. This is a cruel budget with fee and charge increases that will hurt the people least able to afford them—the people who get to the end of the year and cannot afford Christmas presents for their kids, the people who cannot afford to buy proper shoes and school uniforms for their children and the people whom the government claims to represent. Dressing up the fee increases as some sort of equitable initiative is a sleight of hand; it is deceitful. People who are rich will not notice the fee increases. As I have just said, they will hurt the poorest and least able to respond, especially large families.

The transfer of royalties for regions funding into consolidated revenue through Water Corporation dividends is a cynical ploy. The government should be honest; it should be up-front. Labor members present themselves as honest brokers. They should live that value and simply say that they are cutting the royalties for regions program. That is the truth. Why justify deferring important capital expenditure for our critical next water source with flimsy assumptions? Our climate is still drying and our population will continue to grow. We cannot wait for a water crisis before we make prudent provisions for our next water source. We have seen important regional programs being curtailed, threatening the potential for new industries and new jobs. We have seen other charges and fees increasing. Why all this theatre, sleight of hand, smoke and mirrors and disappearing millions? To be honest, I am a little perplexed by what I see in this budget in relation to the water portfolio. This is a misguided budget that hurts the poorest and confuses the provision of a critical basic service with taxation. It is a budget that harms the people whom this government claims to represent. Hopefully, the minister can clarify what he is doing during budget estimates.

**DR A.D. BUTI (Armadale)** [9.41 pm]: I will start by responding to the member for struggle street—I mean, the member for Cottesloe! The member tried to compare social housing vis-a-vis Cottesloe. He was incredibly disingenuous. How many Homeswest homes are there in Cottesloe?

**Dr D.J. Honey:** In the electorate of Cottesloe?

**Dr A.D. BUTI:** No; in Cottesloe.

Several members interjected.

**Dr A.D. BUTI:** When the member said “Armadale”, did he mean the electorate of Armadale or the district of Armadale?

**Dr D.J. Honey:** I meant the electorate.

**Dr A.D. BUTI:** The member should come to Armadale; we will then see who has more social housing. He did not include Camillo, he did not include Seville Grove and he did not include Brookdale.

**Dr D.J. Honey:** These are the numbers off the database provided by this house.

**Dr A.D. BUTI:** The problem is that the member for Cottesloe does not know that Camillo, Brookdale and Seville Grove are actually in the electorate of Armadale. He looked just at Armadale. The electorate of Armadale has far more Homeswest homes than does his electorate. What is the average price of houses in the electorate of Cottesloe?

**Dr D.J. Honey:** That does not help the poor people.

**Dr A.D. BUTI:** The poor people? Okay.

Several members interjected.

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**Dr A.D. BUTI:** So, everyone, there are more poor people in the electorate of Cottesloe than in the electorate of Armadale! I will go away and do some research and bring it back; we will then see who has more poor people. What a pathetic comment!

It is fantastic to finally have a budget, as we also did last year, that is listening to the concerns and needs of Armadale and also of Darling Range. For instance, the budget provides \$78.8 million for the new Armadale courthouse and police complex.

**Mr S.K. L'Estrange:** We built that!

**Dr A.D. BUTI:** It was announced by the previous government. I have noted that and congratulated the previous government for announcing it. Our government has funded it. It should be opening in 2020–21. Finally, we have a government that is committed to solving the Denny Avenue problem in Kelmscott, which will be of major benefit to the electorates of Armadale and Darling Range. There is also the Byford rail extension from Armadale to Byford, which the previous government was not interested in. We also have \$18.9 million for the new Byford south east primary school, which will open in 2020. Also in my electorate we have funding for the duplication of Armadale Road all the way from Armadale through to the freeway, plus the North Lake bridge. These are all great commitments that this government committed to in last year's budget and this year's budget, which will benefit the electorates of Armadale and Darling Range. I also mention all the various projects under the Local Projects, Local Jobs program, which will be of benefit to numerous community groups in my electorate and the electorate of Darling Range.

I really do look forward to going through the statistics with the member for Cottesloe. Did the member for Cottesloe include only Homeswest housing or did he also include Access Housing, which is social housing? Does the member know what Access Housing is?

**Dr D.J. Honey:** I used social housing as defined in the library database. It goes through electorate by electorate.

**Dr A.D. BUTI:** It is not Homeswest now; it is social housing!

**Dr D.J. Honey:** Social housing, which includes Homeswest housing.

**Dr A.D. BUTI:** What about Access Housing?

**Dr D.J. Honey:** What about it?

**Dr A.D. BUTI:** Does the member know what it is?

**Dr D.J. Honey:** I don't know the distinction between the two.

**Dr A.D. BUTI:** No, he would not know. I do not think there would be a demand for it in his electorate somehow.

I would like to move on to the member for Moore, who has suddenly found his voice for the Moora Residential College. We can look at his contribution in this Parliament since he was first elected in 2013. He was also in the education estimates hearings every year, from 2013 to 2017. I was in the estimates with him. If my research is correct, the member for Moore did not mention Moora Residential College until 14 September 2017. That was the first time he mentioned Moora Residential College in all those years. It is such an important issue in his community that he did not mention it! When I was advocating for things that were needed in my electorate, members will find that since I came here in 2010 I have talked about the 24/7 police station and Denny Avenue. Through that process, over time we have had change and decisions made by government that will benefit my community. The member for Moore today said that the 2016–17 *Budget Statements* mention Moora Residential College in budget paper No 3 on page 200.

**Mr R.S. Love:** No, I did not.

**Dr A.D. BUTI:** He said that it mentioned Moora Residential College. Actually, it does not. It mentions upgrades to regional residential colleges as a totality. Moora is not mentioned in that. The estimates process is very interesting. As I said, the member was in the education estimates hearings in 2013, 2014, 2015 and 2016. I think last year he was probably chair for most of that hearing, so of course he could not ask questions. If we go through those hearings, it was only on 25 May 2016 in Assembly Estimates Committee B that he mentioned Moora. He stated —

I have some questions pertaining to the second dot point under “Significant Issues Impacting the Agency” on page 292. The dot point refers to the royalties for regions program funding the development of sufficient single-bed capacity to meet current parental expectations. I note that under “New Works” on

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page 294 there is an allocation to royalties for regions in the 2018–19 forward estimates. What is the authority's —

By “authority” he means the Country High School Hostels Authority —

level of awareness and planning for the rectification of the current situation at the residential boarding house in Moora?

Presumably, it only became an issue then; all those other years it was not an issue and suddenly it became an issue. He continued —

Although it has single bedrooms, they seem to have been put together by a cost-effective means, shall I say, which has not been very satisfactory. I am concerned about that continuing for much longer. What plans are there to rectify that situation and provide decent single-bed accommodation?

Minister Harvey, who was representing the Minister for Education, asked Mr Baxter from the Department of Education to respond. The transcript continues —

**Mr S.A. Baxter:** The member referred to an amount on page 294. We have looked at all residential facilities across the state in regard to the requirement for demand. The only one that requires additional student accommodation because of student demand is in the Kimberley. St James Residential College has a 50-bed capacity. I think 35 students are boarding there at the moment. We have taken a particularly good look at that hostel and its need for an upgrade. I imagine that when those decisions are taken, the member will hear about it. I am very much aware of the context of boarding at Moora.

**Mr R.S. LOVE:** My next question, on a different topic ...

That was the end of the matter. He thought that was sufficient. Mr Baxter said that the department was not doing anything more to Moora Residential College; it was fine. The member for Moore, who has now become such a strong advocate for Moora Residential College, did not think it was important to prosecute the case any further. He waited until September 2017 before bringing up the matter again.

**Mr R.S. Love:** In this Parliament.

**Dr A.D. BUTI:** That was the first time he brought it up in this Parliament. He asked questions about Moora, saying that he thinks it is not very satisfactory. The response is that the department is not doing anything; it thinks it is okay. The only residential college that needs upgrading is in the Kimberley. The member for Moore thought that was okay. It was okay under the previous government, of which he was a member. It has suddenly become an important issue now. It just shows the duplicity and the insincerity in the member for Moore's advocacy of this issue. This is no doubt an important issue in Moora. The member for Moore has suddenly decided to walk out, which is interesting, over an issue that he thinks is so important. Is the local government authority committed to Moora Residential College? I would like to ask him that question; I do not know what the answer is. I am told that maybe that is not the case. The member for Moore has come back. I do not know the answer, and that is why I will ask him the question. Is the local government authority responsible for Moora committed to the residential college?

**Mr R.S. Love:** Yes, I believe it is.

**Dr A.D. BUTI:** He believes it is. This is a matter that is front and centre of his day in, day out campaign, and he does not know for sure whether the local government is committed to it. It is unbelievable. I know that when I was campaigning for the 24/7 police station issue in Armadale, I knew whether the local government authority was supportive.

The member for Moore today decided to have a go at the Premier, because the Premier made a comment about the Moora Residential College campaign. The community of Moora has a right to advocate for something it strongly believes in. The people have a right to come to this Parliament and campaign. It is one of the great things of our democracy—that people can come to the steps of Parliament and campaign, and hopefully politicians will come out and speak to them. Hopefully that will be done safely, and in this case it was done in a very safe manner. What was interesting about the two protests held outside Parliament was that—I am prepared to stand corrected—in the first one I do not think there was any talk about Aboriginal students. There was no welcome to country. At the second protest, when there was talk about Aboriginal students being disadvantaged, there was suddenly a welcome to country. I think two or three of the first speakers were Indigenous.

**Dr M.D. Nahan:** Including the head boy.

**Dr A.D. BUTI:** Yes, including the head boy. But that was not necessary in the first protest. There was no need for a welcome to country in the first protest—only in the second. I wonder about the use of certain people in that protest movement.

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Member for Moore, it is not right to troll. It is not right for people to keep trolling. For instance, on the weekend we had the opening of the Perth Children's Hospital. It was a great celebration for all Western Australians. Someone put up a post on social media about celebrating the opening of the Perth Children's Hospital, and sure enough someone trolls about the Moora college. I have not seen it myself, but I believe the Minister for Education, a few months ago, went and announced some awards at the WA school for deaf children. I think that might be in the electorate of the member for Cottesloe. This was a great occasion for these students. It was put up on Facebook, and sure enough someone from the Moora Residential College advocacy group put up something about waiting for the minister to come to Moora college et cetera. Can they not allow people to enjoy that moment without it being spoiled by something that has no relevance at all? That is what the Premier was getting at. It is fine to argue a case, and to come to Parliament as often as you want, and to have the member for Moore argue your case. Put up posts on Facebook, but do not keep trolling other posts that have no relevance at all to Moora Residential College. If we make a decision to fund X, that means we are disregarding Moora Residential College.

Last week, the member for Roe brought up the issue about the dog parks that had been installed in Armadale and Aubin Grove, et cetera. The state government's contribution to the one in Armadale was \$40 000. I am not sure where the member for Roe got the million dollars from; I think he might have meant that in collective terms. He asked how I sleep at night. I want to know how the National Party sleeps at night, because in its eight years in government, rather than properly funding Moora Residential College, it built musical toilets and installed plastic cows down at Cowaramup. At least the dog park deals with live animals. For eight years we had musical toilets being installed in country areas rather than dealing with Moora Residential College. Maybe the reason the previous government did not do anything about Moora Residential College was that the National Party was not advocating for it. It was advocating for many other things. It only suddenly advocated for it in the last budget. It was not specifically mentioned in the budget, as the member for Moore implied. I will go back and check the actual words he used when *Hansard* comes out tomorrow, but he at least implied that the college was actually in the budget papers, and as we know it was not. The item was about the general regional residential colleges. He brought up the issue in estimates, and the response was that everything was okay in Moora, and he left it at that. He did not go on. Why did he not go on if it was so important? He did not go on because at that time he did not see any political advantage for himself. That is why he did not go on about it. He is a Johnny-come-lately on this issue. He cannot handle the heat—he is about to take the chair as Acting Speaker. That is good; it is going to be really interesting now. The community of Moora has the right to protest and put its case about the residential college. The member for Moore could not give me a direct answer—it is your timing, not my timing.

**The ACTING SPEAKER (Mr R.S. Love):** No. You cannot attack the Chair. When I am in the chair, you cannot do that.

**Dr A.D. BUTI:** I am not attacking the Chair; I am talking about the member for Moore. Do not be cute! Can I seek an extension?

[Member's time extended.]

**Dr A.D. BUTI:** I am very happy about that. The member for Moore has been found out. In his first term he remained silent on the issue of Moora Residential College, bar asking one question in estimates. When he asked that question in estimates, the response from the department was that everything is okay in Moora; we only had to worry about the residential college in the Kimberley. Suddenly, this government seems to be uncaring—it does not care about the regions. We care about the regions and we want to spend money on projects that benefit people in the country rather than building musical toilets and worrying about plastic cows in the country.

I am glad the member for Roe has come back into the chamber. I sleep very well because I know that we are trying to deal with animals that are alive, not just plastic. There are no problems. The former government had eight years to do something about Moora college and it did nothing. It did not mention Moora college in its final budget.

**Mr Z.R.F. Kirkup** interjected.

**Dr A.D. BUTI:** It is going to be closed because for eight years the former government neglected it; it let it run down. I do not blame the member for Dawesville. He knows how difficult it was to deal with National Party members in government. When it got too difficult, they walked out. The biggest mistake the former Premier made when the National Party showed ill-discipline and wanted to have the cherries of being minister, like a nice car and the ministerial salary, but did not want to be disciplined and make hard decisions, was to not cut them down at the knees and appoint the members for South Perth, Vasse and Geraldton as ministers. They should have been serving in the final year or so of government rather than allowing the National Party members to say, "We agree with the decisions that we agree with, but it is a bit difficult for people in the country; we will just walk away." How absurd! That goes against the whole tradition and history of the cabinet in the Westminster system. The

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former Premier should have done something about that. Unfortunately, he did not and some great members missed out on being ministers. Who knows what may have happened? The Liberal Party may not have lost the last election by so many seats—they still would have lost, but perhaps not by so many seats.

I sympathise with the Liberal Party. The National Party is Australia's major sectarian party. All it cares about is the country. The member for Warren–Blackwood has said, “We represent people in the country; therefore, we are concerned about it.” Of course they are, but they have to put it into the context of running a state. The Liberal Party was trying—we did not agree with many of its decisions—to at least think about the whole state, while the sectarian National Party was just thinking about the country; as the member for Warren–Blackwood says, the other side of the range. The state government needs to think about the whole state. The whole issue about government is its priorities, because there is unlimited demand but limited resources. Just because something is not funded does not mean we do not care, but we have to make a decision. For eight years the former Liberal–National government decided that the Moora Residential College was not important; it let it run down. This latter day conversion by the member for Moore about the need for the residential college to be saved is really interesting, because he brought it up only once in four years in estimates, and the National Party did not bring it up for eight years. That is an absolute disgrace. This state government seeks to govern for all Western Australia. I believe the Liberal Party when in government sought to govern for all Western Australia. The easiest job in this place is to be a National Party member, because their party is sectarian—they just worry about their little patch. A previous Leader of the National Party, Hon Brendon Grylls, was a very talented politician. He had some really good ideas. We cannot deny that he was a very talented parliamentarian and a very capable minister. National Party ministers were actually very good, if you take away their sectarianism; they were very capable. But I remember when they were making decisions about councils. Brendon Grylls said, “I’ll approve the amalgamation of councils in the city as long as you leave country councils alone.” Some country councils were actually the ones that needed to be amalgamated. As long as their constituents were not affected, they did not care about the rest. Members might say that is being a good local member. That may be case, but the government has to think about the whole state. The member for Moore has to be honest about the Moora Residential College. He was not concerned about it in his first term. Now he thinks it is the most important issue in the world. It is important for the people of Moora, no doubt about it; but where was he and his government for eight years on the matter?

**MR J.E. McGRATH (South Perth)** [10.06 pm]: I rise to speak in the second reading debate on the Appropriation (Recurrent 2018–19) Bill 2018 and the Appropriation (Capital 2018–19) Bill 2018. I will be speaking about one of my shadow portfolios—that is, the portfolio of racing. Racing is entering an interesting stage. Today, the chief executive officer of the Hong Kong Jockey Club spoke at the thirty-seventh Asian Racing Conference in Seoul, warning the industry and saying that it is time for action because horseracing is now out of the top 20 of global popularity. Horseracing is slipping in popularity and that makes me a bit sad, as someone who has been interested and involved in racing in a number of ways, including being the chief racing writer for *The West Australian* for a number of years, covering such big events such as the Melbourne Cup, the Perth Cup and the Golden Slipper. I have seen some great days of Perth racing, during the carnivals when Bart Cummings, Colin Hayes, Tommy Smith and George Hanlon would bring their champion horses to Perth. Crowds of up to 40 000 people would be at Ascot on Perth Cup day—crowds we can only imagine now. We will never see such crowds again.

The racing industry has suffered a drop in popularity because there is a lot more competition. Back in those days, there was no AFL and no Twenty20 cricket. There was no casino and no entertainment venues like we have now. There was no Sky channel or Foxtel and people did not sit at home watching horseracing on television but had to go to the track. All of those things have had an impact on the industry. There are a couple of things in the budget that affect my portfolio of racing, one of several that I am responsible for, that involve a couple of imminent government decisions that will be followed closely by people in the industry. The first is whether the government will sell the TAB. Anyone who has been in this chamber for the past three or four years will know and remember that the former government tried to sell the TAB. The former Premier thought that the government should not be running a gambling agency; he did not think it was a right fit. Also, the TAB was an asset that could raise revenue of between \$500 million to a billion dollars depending on the time of the sale. More importantly, we saw it as an opportunity to raise capital to put into an infrastructure fund to meet the needs of the racing industry going forward. The one thing that the racing industry has always failed to do is keep abreast of inflation. With ageing infrastructure, buildings in a state of disrepair and racetracks in need of upgrading, it all costs a lot of money. Meanwhile, the industry has to be funded for prize money, and the only mechanism for getting that prize money is through wagering. That is why the TAB is important; it provides the lifeblood of racing.

The Treasurer did not say that the government would not sell the TAB, but he said in as many words that the government aims to end the uncertainty in the industry about the future of the TAB. That leaves it very open. The government might decide to keep the TAB, and I do not have a problem with that. It is the government's decision

**Extract from Hansard**

[ASSEMBLY — Tuesday, 15 May 2018]

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now. I have always said that whatever happens with the TAB, I am happy as long as the racing industry is no worse off. There are too many people involved and employed in this industry—horse trainers, jockeys, strappers, farriers, even the farmers who provide the feed for the horses, float drivers, transport business owners and veterinarians—for this not to be important. It is a very, very big and labour-intensive industry. We are waiting to see what will eventuate. The Treasurer has indicated that more work is being done on it. The government has hired a company called Investec to look at the TAB and what it might be worth and to talk to the racing industry. All that is taking place and we await that decision.

The other interesting thing in this budget is what is called a point-of-consumption wagering tax. This is an interesting tax. State governments around Australia are looking at bringing in a point-of-consumption tax because wagering operators, some of them from overseas, are licensed in the Northern Territory and have customers in every state, but they are paying tax only in the Northern Territory. They are operating in our state and have customers here, but they are not paying any tax to the state. The point-of-consumption tax is a levy imposed on online gambling establishments, and it started with the British government. It was introduced as part of a 2014 amendment to the Gambling Act 2005 and has been in effect for over two years. The tax has a starting rate of 15 per cent and concerns revenue earned in the UK by a casino or wagering operator based in another location. These casino or wagering operators—the same as the operators who have become licensed in the Northern Territory—have gone to offshore havens such as Gibraltar, the Isle of Man and Jersey. They are common places for these casinos or wagering operators to establish themselves.

Before the UK act was changed and the point-of-consumption tax came in, these operators were getting a free ride in the UK. They were competing with UK businesses, casinos and betting agencies, and they were getting a free ride. They were able to offer all sorts of incentives to punters because they had a greater margin. The same has happened here in Australia. That is why the McGowan government made an announcement in last year's budget that a point-of-consumption tax would be introduced from the start of next year. It is interesting that two states now have a point-of-consumption tax. South Australia was the first, where wagering is taxed at 15 per cent of profits. The McGowan government has followed South Australia's lead and plans to introduce a 15 per cent tax. What has happened in Victoria is very interesting. Page 2 of today's *The Australian*—that is pretty big for a story on wagering—states that in Victoria —

Online bookmakers from January 1, 2019, will be taxed 8 per cent on net revenue from all bets placed in Victoria. This compares to a headline rate of 15 per cent in place in South Australia and proposed for Queensland and Western Australia.

Today I asked the Treasurer whether he was locked into 15 per cent; he said he had to look at it. Victoria is now offering an eight per cent tax—a big reduction on 15 per cent. It has obviously done that to lure the big internet operators to channel their punters to Victoria. An internet wagering operator that pays only eight per cent in Victoria but 15 per cent in Western Australia or South Australia will channel their punters and make it more attractive for them to bet on Victorian horseracing. This issue will confront the Treasurer and he will look into it. He is very aware of what has happened in Victoria. We do not know whether the New South Wales Berejiklian government will opt for a tax similar to that in Victoria, or the higher tax rate favoured by the other states. Because of its great competition with Victoria, it might decide to go eight or 10 per cent too. That places us in a bit of a precarious position because we are a small state, and apart from Tabcorp we are the only other Totalisator Agency Board operator in Australia. If our TAB stands alone and is not sold, Tabcorp will operate on the east coast and the Western Australian TAB on the west coast, and the corporate bookmakers will be reduced in number. There might be three very strong corporate bookmakers. Interesting times ahead.

Members of the racing industry have approached me because they are concerned about being disadvantaged by the point-of-consumption tax. When it was announced by the McGowan government, Michael Grant, chair of a racing body formed to deal with the previous government on the possible sale of the TAB, said that basically the body would support the point-of-consumption tax, but that the devil was in the detail. The racing industry is obviously very keen to flesh these things out with not only the Treasurer, but also the Minister for Racing and Gaming. I was approached by the Western Australian harness racing Breeders, Owners, Trainers and Reinspersons Association—WABOTRA. It is the oldest harness racing industry body in Western Australia. It has the largest membership and represents the greatest participant interest in the harness industry in Western Australia. It is very concerned that there could be some negative impact specifically on harness racing, because it is no secret that harness racing has been struggling. Thoroughbred racing is much stronger than harness racing. I have always been a keen follower of harness racing. I also covered harness racing at my time at *The West Australian* and saw some of the great champions of harness racing, such as Mount Eden, Pure Steel and all those great horses. I was only talking to someone the other day about when the Queen and Duke—it is very topical now with the royal wedding this weekend—came to Perth in 1954 and went to Gloucester Park where there were 37 000 people.

**Extract from Hansard**

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**Mrs M.H. Roberts:** It was Brennan Park before that.

**Mr J.E. McGRATH:** It was. The Minister for Police knows her history and is a very keen follower of the light harness sport. I often see her at Gloucester Park in the president's lounge enjoying the hospitality. The trainers and reinsmen, the stakeholders in the industry, are seeking compensation from the government of something like \$26 million to ensure there is no reduction to overall funding to the harness racing industry. The industry has to be kept sustainable. As I said before, the racing and greyhound industries are very important. The point of consumption tax is supported by the industry, but it will be interesting to see where the Treasurer settles—whether he sticks with the 15 per cent or maybe he will tweak it a little bit.

I want to also talk about something that was raised by the member for Kalgoorlie; namely, the future of the Golden Mile Trotting Club. Last week, the member for Kalgoorlie and I attended a meeting in Kalgoorlie of members of the Golden Mile Trotting Club. It was a meeting at which great concern was raised about a decision by Racing and Wagering Western Australia to take their racing dates from them in the new season. RWWA is a quasi-government body, but it is separate from government. The minister cannot direct RWWA; that was done deliberately to keep politics out of decisions that might impact on the racing industry going forward. Under its act, it cannot shut down a race club, but because it controls the dates, it can say to a race club, "We're restricting your dates next year; instead of getting 20 days, we will give you 12 dates", if it does not think it is viable.

[Member's time extended.]

**Mr J.E. McGRATH:** Kalgoorlie used to have 26 racing dates and it was a very successful club. Even though a long way from Perth, it had a pretty good local population of horses, and Perth trainers would travel to a Kalgoorlie trotting round. Mount Eden, a champion horse, won his first ever race at Kalgoorlie. Daintys Daughter raced at Kalgoorlie—a great horse from Cunderdin. Yankee Rhythm, a very outstanding Western Australian horse, won his first race at Kalgoorlie—a very good Western Australian horse. Mount Eden, of course, was the greatest. People went there and supported the club. In more recent times, the club has struggled for numbers of local horses so they have relied very heavily on Perth trainers going there. A group of trainers known as the Gypsies go from town to town with their horses, like caravanners. They may stay at Albany for three months, starting their horses every week, and they have been going to Kalgoorlie every year. In March, RWWA went to Kalgoorlie, had a meeting with the club president and the secretary—manager and, after some discussion, said, "You're not getting any racing dates next year." The club is in a historic country city; Kalgoorlie is a famous goldmining, gambling-type city. Two-up, horse racing and all sorts of things happen there. I think it is a shame it has come to this.

The member for Kalgoorlie and I had a meeting today with Mr Richard Burt, the CEO of Racing and Wagering Western Australia. We went through what happened as part of these discussions. I relayed to Mr Burt what we had heard at the meeting, which was that the people in Kalgoorlie think they have been the target for a planned closure for some time now. They do not believe that RWWA has helped them maintain race dates as much as it might have. They think the programming of race meetings at Kellerberrin in conflict with meetings in Kalgoorlie has meant that trainers who might have taken horses to Kalgoorlie could go to Kellerberrin; why would they go to Kalgoorlie? All these things might have helped them along the way. Mr Burt said to me that RWWA had spoken to people in Kalgoorlie last year and said, "Unless you can prove to us that you are more viable, you might be in trouble." I do not know why Kalgoorlie has been chosen. I think that Albany is in a similar position to Kalgoorlie. It worries the people in Kalgoorlie to think who will be next. If the government wants to run the racing industry on a much tighter, stricter financial basis and centralise it, it could shut down every country track. There could be racing at Gloucester Park, Pinjarra and Bunbury, and that would be it, but what would happen to all the little tracks in those little country towns where the local cup is an event? In places such as Bridgetown, Williams, Kellerberrin, Albany and Kalgoorlie, it is an event to have cup meetings at the local racetrack. As a result of the discussion, Mr Burt assured us that RWWA officials are going back to Kalgoorlie next week—I am not sure what day, but it might be Monday—where they have planned meetings with the Kalgoorlie–Boulder Racing Club and the Golden Mile Trotting Club. I think that is a good outcome because it will give people from RWWA an opportunity to explain to the stakeholders on the ground level, who were not at these meetings that took place several months ago, why they will not get race dates.

I would like to see Kalgoorlie get some race meetings around the time when the Kalgoorlie Cup and Hannan's Handicap are traditionally held. They are thoroughbred races, but some harness racing—festival-type racing—could be held at the same time. I urge the people at RWWA to look at this issue and reconsider it. The people of Kalgoorlie have said to me that they are confident they could raise funds through sponsorship for travel subsidies to pay trainers from Perth with horses. They were looking at paying \$100 a horse. If 10 horses started at a race meeting, that could add up to \$1 000. If there were five horses, obviously it would add up to \$500. The people of Kalgoorlie think there are other ways they might be able to raise money but they now have to convince RWWA.

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Figures have been given to me which show that if Kalgoorlie has 11 meetings, it costs RWWA about \$800 000 to provide prize money and to pay for the travel of stewards and officials to go up to run the meeting and other costs. Its profit from wagering on those 11 meetings is about \$300 000. Eleven meetings is costing Racing and Wagering Western Australia or the industry about \$500 000. They have to weigh it up. It can either be improved and that differential is reduced or the industry wears that cost. RWWA's official charter is to foster racing—to foster the industry. Tough decisions have to be made. RWWA shut down the Geraldton trots. A number of other members and I fought to save the Geraldton trotting club. Geraldton was a new club compared with other clubs. As the member for Kalgoorlie said, the Kalgoorlie club has been around since 1904. It is the oldest club in country Western Australia. We will see what happens with that. We will be keeping in touch with the people at the Kalgoorlie trotting club. The Mayor of Kalgoorlie, John Bowler, who used to be in this place, attended the meeting. He said that the club has the full support of the City of Kalgoorlie–Boulder. The city of Kalgoorlie owns the track and the venue where trotting events are held in Kalgoorlie. If it can get enough community support and come up with some sort of business case, there might be a chance for Kalgoorlie.

In closing, I want to make reference to Optus Stadium. In the budget papers, the Department of Local Government, Sport and Cultural Industries stated —

- With the significant investment in and opening of Optus Stadium earlier this year, the priority now is to attract as many sport and entertainment events as possible, creating new jobs in a range of sectors.

I would be very interested to question this more during budget estimates. Having played some role in the construction of the new stadium as a parliamentary secretary to the former Premier, it has been a magnificent outcome. My wife and I went to the stadium last Sunday. I could not believe how many people were around the stadium and in the kids' playgrounds. It was fantastic to see so many people. It was a beautiful day and it was Mother's Day and all that. It was great. I notice that Multiplex Constructions, which built the stadium, has been nominated for the 2018 Australian Construction Achievement Award for its work on Perth Stadium and stadium park. Multiplex's scope of work also included delivery of the surrounding stadium park, offering year-round community facilities, including parklands, nature play areas, restaurants, an amphitheatre and a pedestrian and cyclist network. That will all be completed when the footbridge is completed. The award will be announced on 24 May, which is not far away. Multiplex is one of six nominees for the award. My tip to the chamber tonight is that I think Multiplex might pull this one off. If it does, it will be a great feather in the cap for not only the company, but also Western Australia. It is a great Liberal government project.

**MS C.M. ROWE (Belmont)** [10.34 pm]: I rise this evening to make some comments on the Appropriation (Recurrent 2018–19) Bill 2018 and the Appropriation (Capital 2018–19) Bill 2018. I would like to take this opportunity to highlight and outline some of the key initiatives and outcomes of the Treasurer's second budget. I wish to start by congratulating and acknowledging the hard work of the Treasurer for producing a financially prudent budget that positions Western Australia firmly on the road to recovery after the reckless spending of the former Liberal government. Last week, the Treasurer and his team delivered a responsible budget to help get our state's finances back on track whilst still delivering on key commitments to boost job creation, build Metronet, and provide critical investment in health and education around the state, amongst many other initiatives. I am really proud that the McGowan Labor government has shown responsible financial management, taking major steps to pay off our debt and to restructure the state's finances for the future. We are delivering historical low rates of expenditure growth that will set us on track to achieve a surplus by 2020–21. This is nothing short of exceptional in light of the catastrophically high debt we inherited from the former Liberal government that demonstrated its irresponsible financial management, or rather its financial mismanagement, which was on a monumental scale. It is a really sad legacy that those in opposition will have to carry with them for many years to come.

The McGowan Labor government has now taken responsibility for fixing the finances. The estimated general government operating deficit for 2017–18 has now been halved since the midyear review. In 2018–19, we will contain expense growth to just 0.9 per cent. We have achieved these results and have still been able to deliver high-quality services and job-creating infrastructure. We promised electors that if Labor were elected, it would focus on jobs, and that is exactly what it has done. Since the election in March last year, we have created 30 000 jobs. In 2017–18 and 2018–19, approximately 50 000 jobs will be created. But this of course has not, and does not, happen by accident. The Premier and his cabinet went to work as soon as we were elected to ensure that jobs were created for Western Australians. We passed the Western Australian Jobs Bill.

Metronet, a transformative public transport plan, is well underway and at the same time creating thousands of jobs across this state. There are six rail projects totalling 72 kilometres planned or already under construction. Minister Saffioti and her team should be commended for their hard work on this important infrastructure project. It will benefit our state for decades to come. The budget provides an additional asset investment of \$1.1 billion towards

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Metronet projects under development. It provides \$151 million to replace Transperth's A-series railcars. That project is well and truly overdue. A total of 246 new railcars will be delivered over the next 10 years as part of Metronet. At least 50 per cent of these railcars will be built right here in WA by local manufacturers, creating yet again more jobs for Western Australians. The \$1.9 billion Forrestfield–Airport Link is on track for completion in late 2020. This line will have two new stations in my electorate—one at Redcliffe and the other at Airport Central. This will be a vital infrastructure project for my electorate of Belmont and will benefit so many local residents.

Last week's budget dedicates \$184 million to the Metronet social and affordable housing and jobs package. This will be the state's contribution to a \$394 million social and affordable housing and jobs package, with the balance funded through private sector investment. This fantastic initiative will deliver over 1 300 new homes, including up to 320 new social housing dwellings, at least 400 affordable homes and eight high-density Metronet-oriented developments. This package will go a really long way towards addressing the issue of housing affordability across the state. It will be welcomed by so many in the community, particularly in my electorate of Belmont.

As well as Metronet creating jobs, the government is continuing to invest in a range of other sectors including science and technology, manufacturing, tourism, hospitality, agriculture, and many others. This will obviously lead to greater diversification within our local economy, as well as drive investment. Some of our initiatives include establishing a contemporary music fund to support developing musicians; allocating \$45 million over four years to build Western Australia's grains research and development capacity program; dedicating almost \$18 million for new and emerging businesses as part of the new industries fund; providing \$10 million a year to continue the exploration incentive scheme; and, importantly, investing over \$3.3 million to commence WA's science, technology, engineering and mathematics skills plan.

Another major focus for our government is to assist in promoting the tourism sector. We are implementing a two-year tourism action plan designed to promote WA across the world. Tourism and hospitality are significant employers for the state, but also more specifically for electors in my seat of Belmont. We have become a major tourism and hospitality hub, particularly with the opening of Optus Stadium last year, but we also have two racecourses, the airport and the casino in Belmont. We know that tourism is a key factor in driving our economy and creating jobs for WA. That is why we are allocating \$425 million towards destination marketing and tourism events. We are committed to improving Fremantle, Broome and Geraldton ports to accommodate a greater number of cruises, and bringing about significant liquor reforms aimed at reducing red tape for applications. This, in conjunction with the continual support of the Perth Racing Masters Carnival, amongst many other initiatives, speaks to the commitment from Minister Papalia to driving tourism across our state. The government, in particular the minister, understands the importance of the tourism and hospitality sectors in supporting local businesses and creating more jobs. As the member for Belmont, I welcome the government's commitment to promoting these sectors in my electorate and across the state. Of course, the flow-on effect of enhancing these sectors is that we all benefit from a more vibrant and exciting community.

One of the biggest issues in my electorate of Belmont, as it is in others, is crime. This Labor government understands how critical it is for people to be safe in their community. Minister Roberts should be congratulated for her tireless efforts to reduce crime in our community. This is especially evident in the establishment of the methamphetamine plan that is already being rolled out right across the state. This budget sees Labor investing \$13.3 million for safety upgrades at dangerous metropolitan intersections; allocating \$1.8 million to increase driver breath and drug testing by the WA Police Force; and dedicating \$26.9 million for a new police helicopter. This will be an important asset to help our police keep our communities even safer. Further to this, we are investing over \$20 million for the new Target 120 initiative, which is a program designed to reduce juvenile reoffending. We also understand the pressure our court systems are under at the moment, and that is why we are spending \$4.2 million for two additional magistrates.

As I have spoken about before, domestic violence continues to plague every community across our state. Labor is committed to addressing this absolute scourge in our society, and I wish to take this opportunity to commend Minister McGurk for her dedication to ridding our state of family and domestic violence. In WA we have the second highest rate in Australia of reported physical and sexual violence perpetrated against women. This is absolutely disgraceful and totally unacceptable. I am proud that in this budget, \$4.3 million is being dedicated to implement the National Domestic Violence Order Scheme to enable family violence restraining orders and police orders to be automatically recognised and enforced across all Australian jurisdictions. The aim of this scheme is to enhance victim safety by removing the need to register family and domestic violence orders separately in each state and territory. This is critically important, as some victims fleeing their perpetrators are forced to move interstate. In addition, \$2.6 million will be spent on a residential program to help perpetrators of family and domestic violence change their behaviour. This program provides extended support services, counselling and referrals to services, and assists men in understanding and taking responsibility for their violence and abuse. These

**Extract from Hansard**

[ASSEMBLY — Tuesday, 15 May 2018]

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programs are absolutely essential, because if we do not intervene, the violent behaviour continues and then of course the cycle of violence continues.

Our state budget also includes significant investment in our public school infrastructure to enable our students across the state to learn in the best possible environments. Our overall investment in education exceeds \$22 billion over the coming four years, and I would like to acknowledge the hard work of the Minister for Education and Training, Hon Sue Ellery, who is thoroughly committed to improving education outcomes for all children in WA. This funding of \$22 billion will go towards building new primary schools right across the state and improving and maintaining our existing state schools. Critically, we are ensuring that there is more one-on-one support for students in the classroom. This year we will see an extra 100 education assistants employed in WA schools and an additional 100 for both 2019 and 2020. As a mother, I see firsthand how critical these education assistants are in helping our children achieve the best education outcomes possible. With such rapid change occurring in workforces at present, it is vital that our children are prepared for the jobs of the future, especially jobs in science, technology, engineering and mathematics industries. That is why we are converting 100 primary school classrooms into science labs in 2018 and 2019, two of which are in my electorate of Belmont. One is to be established in Rivervale Primary School and the other in Cloverdale. Both schools are actually delighted to be receiving this upgrade. I am also pleased that the planning and construction of the new \$5 million performing arts centre at Belmont City College will commence. This will be a fantastic asset for the school, which has a specialised drama program, and it will also be used for school productions, both theatre and musical, and by the broader community when required.

I am really proud of the leadership our government, and especially Minister Dawson, has shown in regard to the protection of our unique Western Australian environment. In this budget we have allocated \$31 million for the natural resource management program, \$9.3 million to implement the Pilbara environmental offset fund and \$2.5 million to protect the habitat of the endangered and stunningly beautiful Carnaby's cockatoo by reducing the extent of the pine plantation harvesting. We are also committing \$16 million to continue the Aboriginal rangers program over the next four years to provide jobs looking after state parks and protected areas. We have also commenced the following initiatives: \$10 million to enhance the protection of the Abrolhos Islands, as well as generating tourism and job opportunities; over \$8.5 million for the regional estuaries initiative; \$3.6 million for the Great Kimberley Marine Park; \$3 million towards developing Lake Kepwari, near Collie, as a tourism attraction; and \$900 000 for community groups to engage in restoration of parks of the Swan and Canning Rivers. The consultation process is currently underway to create Fitzroy River national park in order to safeguard the long-term health of the river. Of course, on 1 July, we are banning single-use plastic shopping bags across the state. This measure will be enormously important in reducing the significant harm to marine wildlife and birds that become entangled in plastic waste from single-use bags. In my electorate this measure has been welcomed by many, many locals who want to see our environment and wildlife protected for future generations.

In the lead-up to the last election, Labor made a pledge to Western Australians: we would put patients first when we formed government. One year into the Labor government and that is exactly what we have done. We remain totally focused on, and committed to, building a sustainable world-class health system and one that delivers top health care for all, regardless of their postcode. That is why this budget sees funding going to vital health services, demonstrating our bona fides on improving care in our communities. The budget signalled a total investment in health of \$37 billion. We are delivering \$655 million in total infrastructure investment over the next four years. We have dedicated \$182.3 million to the patient assisted travel scheme to assist those in the regions who need to travel for medical attention. We have invested \$158 million in the Joondalup Health Campus expansion. We have invested nearly \$55.9 million into health technology and priority infrastructure projects. We have invested over \$46 million to replace medical equipment. We have invested \$27.1 million towards the district hospital investment program. We have invested nearly \$25 million to expand rehabilitation, neonatal and midwifery services at Osborne Park Hospital. We have invested \$21 million towards the small hospital and nursing post refurbishment program. We have invested \$11.8 million to establish a mental health observation area and unit at Royal Perth Hospital to support inner city mental health needs. We have invested \$2.2 million for protective equipment to bolster safety for frontline health staff. We have invested \$1.8 million for a family birthing centre at Fiona Stanley Hospital to provide south metropolitan families with access to midwifery-led care. We have invested \$1.5 million to replace defibrillators and monitors. We are also progressing our urgent care clinics across the state. These clinics aim to afford better integrated health care for patients close to where they live, as well as taking some of the burden off our already stretched hospital emergency departments. The first of these clinics is being established at Royal Perth Hospital. Another one of our commitments prior to getting elected last year was establishing medihotels—specialist hotel facilities for patients who have been discharged from hospital but are still recovering. Our first medihotel is being built alongside Fiona Stanley Hospital and is estimated to be completed by 2021. This initiative puts patient care at the forefront, while simultaneously freeing up expensive hospital beds.

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Perhaps most importantly, as of Saturday, the new Perth Children's Hospital is now officially open. I would like to acknowledge the Deputy Premier and Minister for Health for all his hard work to make this happen. It was a significant achievement to see this come to fruition and will be welcomed by electors far and wide across the state. It is certainly something that many of my electors welcome as they see how vital the new hospital is.

In closing, the state budget is leading us out of the financial abyss we found ourselves in under the previous Liberal government and is steering us towards steady and stronger investment sentiment, lower unemployment and a reduction in our debt levels, and on the path to a budget surplus by 2020–21—which will be the state's first budget surplus since 2013. It shows that our Labor government has the right priorities and that we are getting our state finances back on track, while generating jobs, delivering key infrastructure projects, and investing in public transport, health and education.

**MR I.C. BLAYNEY (Geraldton)** [10.52 pm]: I rise to make a contribution to the debate on the Appropriation (Recurrent 2018–19) Bill 2018 and Appropriation (Capital 2018–19) Bill 2018.

**Mr D.J. Kelly:** Tell us about the hospital!

**Mr I.C. BLAYNEY:** I will tell the minister all about the hospital, but he will have to wait, because I have to go through a bit of other stuff first. When we scan the pages of the newspaper, the words used to describe the state budget are “workmanlike”, “snooze-fest”, “small target”, “boring”, “minimalist” and “beige”. Maybe—I think the truth is in there, but there is a bit of a smokescreen. It is a bit hard to find. This budget is not as boring or as beige as we might think it is. In many ways, this is truly a “WA” budget. In this case, “WA” stands for “wait awhile”. That comment is made occasionally by people who are trying to get approval for some project or another in this state. In the case of this government, various commitments have been made, but delivery has certainly been put in the “wait awhile” category. I guess this is nothing new. People in my electorate have played this game for many years, waiting for the delivery of Indian Ocean Drive, as funding was constantly needed to finish the Mandurah railway. The people who waited for years for money to be spent on Coalfields Highway also know about “wait awhile”.

The Leader of the Opposition summed it up well the other day when he said that he hoped never again to see an iron ore price of \$US37 a tonne and a GST return of 30c in the dollar occur at the same time. It seems to me that, once again, the lag in the GST return will work in this government's favour, as it did for Eric Ripper when he was Treasurer. In a similar vein, people have forgotten that for over 10 years, for most of the Barnett government, about half a million people moved to Western Australia—that is, the equivalent of the population of Tasmania. The government and the state coped, but one reason we coped can be seen in the debt figures.

Obviously, I welcome the commitment to the Geraldton Hospital. This hospital serves not only the city, but also about 20 per cent of the state. It is a vital facility. The first stage of the redevelopment is worth \$73.3 million, with an expanded emergency department and critical care unit, a mental health facility and a step up, step down mental health facility. Prior to the state election, the then Liberal–National government committed \$138.5 million to the hospital. The ALP committed two different figures: one, \$16.3 million, and another, \$45 million. The sum of \$73 million covers the immediate essentials, which will then probably allow the next stage of incorporating the plans for the future of St John of God Health Care, which has a long history in Geraldton and remains committed to the city and to the midwest region.

**Mr T.J. Healy:** Will you take an interjection?

**Mr I.C. BLAYNEY:** No, thanks.

I have received some feedback about the timing. People are bit surprised at the time that it will take to start the works, with no money being spent in 2018; \$1.8 million being spent in 2019–20; \$2.2 million in 2020–21; and, finally, \$36 million being spent in 2021–22. It is another “wait awhile”. I urge the government to consider bringing forward some of this work if possible. Putting smaller packages of work into the market will make it possible for smaller or local companies to have a go, and spreading the work over a long time frame is obviously better in a slow local economy. I will pay credit to the staff of the local hospital, who cope with difficult situations, especially in the emergency department. The average emergency bed in Geraldton Hospital is about three times busier than in Bunbury. As the redevelopment will take place in what is already a busy hospital, I acknowledge that staff will find this to be an additional factor in making their work harder, but I am sure that they will manage. Hopefully, the work will also include things like the removal of the carpets in a large part of the hospital—it is quite strange to have carpets in a hospital, but they are there—and the change to the layout to rid the hospital of what has become known as the “racetrack”. I am delighted a commitment has been made to the job, and I speak for many people when I say that we are impatient to get on with it.

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I note that Albany, a regional city in many ways very similar to Geraldton, received a new hospital some years back. I think that clearly indicates the professionalism and correctness of process of the Barnett government. The decision was made that the hospital there needed to be replaced earlier and that government put a new hospital into an opposition-held seat rather than in a government one. I am quite relieved that unlike the people of Laverton, Geraldton has not been told to go and find money. A piece in the *Kalgoorlie Miner* the other day stated —

Regional Development Minister Alannah MacTiernan made the suggestion last year on a visit to the northern Goldfields town, 360km north-east of Kalgoorlie–Boulder, following the new Labor Government's decision to strike the project from the Budget.

She told them to go and ask the local mining companies if they would like to build them a new hospital. Thankfully, we have not been asked to do that, because we do not have any money to pay for it anyway.

On another note I recently wrote to the Minister for Health, requesting consideration for the re-establishment of a blood bank service in Geraldton. This gets raised regularly by both people who were previous donors, like myself, when we had a blood bank and by people who need to donate to get their iron levels down. If the government does not want to give Geraldton a permanent blood bank, I wonder if perhaps there could be a visiting service.

I will mention a couple of other projects in the midwest region that are worthwhile mentioning. There will be \$35 million for roads associated with the Square Kilometre Array project; funds to widen sections of the Indian Ocean Drive; already committed funds to the Geraldton airport runway; works to do with the separation of Geraldton's two high schools back to being standalone schools; and funds for the Abrolhos Islands. I ask for consideration for the next amount of funding for the Abrolhos when the \$10 million from last year's budget is finished. The area needs the establishment of a national park, and the establishment of tourism and aquaculture industries will require funds in places we may not yet foresee, so we do not want to wait a while for that one.

A small detail I noticed in the budget papers was the continuation of the magnetite financial assistance program until 31 December 2018, at a figure of \$31.5 million. I have followed the magnetite industry closely since being elected in 2008. The Karara Mining mine south west of Morawa was Western Australia's first magnetite mine and now its product is half the throughput of Geraldton port. If Karara were to mothball, it would not only lose the government obvious things such as payroll tax but also cost a lot of jobs in Perth, the midwest region and Geraldton. The studies done when it looked like it was going to be mothballed a couple of years ago showed that half the jobs at Geraldton port would have to go. I ask the government to keep this under constant review. Imposition of a royalty on magnetite could cost us the entire mine, which would be foolish. The outlook for magnetite, which is a much higher quality product than hematite, is bright. It results in lower overall CO<sub>2</sub> emissions and, importantly, lower emissions when it is turned into steel. This is vital in China, where the government has made reducing pollution a priority. The company's home, Anshan in Liaoning province in north east China, has some 31 steel furnaces, from memory. I visited there several years ago. Among other things, Anshan makes the 100-metre-long rails for China's high-speed rail network, which is the world's largest, and steel for German cars made in China. I thank Anshan for its long-term commitment to the midwest and I hope to see its industry continue to grow.

I will address issues in the budget that impact on all Western Australians. Daniel Mercer writes in *The West Australian* that we are now meeting the full cost of producing power with this year's increase in charges. I remember when the now government was in opposition, it often talked about what it termed the glide path. We have reached the end of the glide path. I was looking up what sort of landings we can have. I was trying to work out whether it was a belly landing, a hard landing, an arrested landing or a smooth landing. I decided that it probably was not a crash landing.

Power prices have increased by 17.9 per cent since the change of government. Of course, power price increases during the previous term of government were nasty and mean-spirited, whereas those made since the election have been necessary and in everyone's best interest. I support the emergence of a new competitive market with both generator and retailer contestability. I will watch with interest to see whether it emerges, but I will not hold my breath.

In other areas, water charges were raised by 5.5 per cent; public transport by 1.5 per cent; the emergency services levy by \$28 per annum; vehicle licence charges by 5.8 per cent, or \$20 per annum; and motor injury insurance by \$9 per annum. That adds up to \$292 per household. I point out that prior to the election the now government made commitments in this space. It reminds me a little of the situation we had some years ago at the City of Greater Geraldton. It was given an average revaluation across property of 23 per cent, and rather than reduce the rate in the dollar, it decided to take the whole revaluation. Since it normally adds about five per cent to the rates every year, it decided to carry on and do that again. It led to an average rate increase that year of 28 per cent. The council was somewhat taken aback when the community went ballistic. Thankfully, the then CEO decided to move on, and the financial mess that he created has been almost tidied up by the two CEOs since then. Beware endless and steep costs to people; they do not have infinite patience.

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I refer to police. I am disappointed that a couple of things in the budget have impacted on the police. The Western Australia Police Force is a service that, thankfully, governments have yet to find a way to shift to the city and remove from the regions. However, the \$30 a week increase in rent will be hard felt and may make officers less prepared to move to the country. No funds have been put aside for a compensation scheme for medically retired officers despite a commitment to this from the former opposition, the now government. This is very disappointing. There is also no money for extra officers and a staffing cut of 218.

A number of things about Metronet worry me. There is no detail about where the state's commitment of funds to match federal money will come from. There appears to be no mention of how much the additional lines will add to the system's already large operating deficit. We continue to wonder how much extra the locally built railcars will cost over a competitive tender. If manufacturing locally is such a priority, why do we not start a plant to build cars or trucks for the government? I am thinking back to Alan Bond's proposal for a plant in Western Australia to assemble Hyundai cars. It did not happen; maybe it should have. I often wonder when I read about these big sums of money for a specific project why the government does not borrow specific amounts of money over, say, 20 years and pay it off that way. It seems to me governments—we were also guilty of it—always put these projects on the overdraft. Anybody who has run a business knows that there are different types of debt. That, to me, is a long-term debt that should be an amortised loan over a lengthy period of time.

For many years I have advocated for people to have a one-off concession on stamp duty when downsizing their home on retirement. It would free up larger houses for people who need them, and enable retirees to relocate themselves closer to their families or medical services. They can quite often get places within walking distance of the services they need. With no concession, they will probably stay put and the government will end up no better off. I urge the government to give consideration to this in the next budget. I used to write to the Treasurer about this every year when we were in government, so I am not being hypocritical.

I turn to the sale of leases. Once again I raise the issue of the sale of the lease of the poles and wires of Western Power. That would wipe out about half the state debt in one hit. Evidence from New South Wales leads me to think there would be no reduction in service quality. I am proud to say I have been advocating for that since 2014, despite some people not being very pleased about it. Likewise, the lease over Fremantle port should be done, as it has been everywhere else in Australia. In the future I think Western Australia should look at engaging with the private sector to build some roads, similar to the successful ones built by the Kennett government in Victoria.

**Mr D.J. Kelly:** Does that include tolls?

**Mr I.C. BLAYNEY:** Yes.

**Mr D.J. Kelly:** You support tolls?

**Mr I.C. BLAYNEY:** On specific roads. If we would not get the road any other way, that is the way to do it. That is what we were going to do with Roe 8 and Roe 9.

Several members interjected.

**Mr I.C. BLAYNEY:** I am following the issue of the sale of the TAB with interest. I have a couple of quotes that I will read because I think they are so good that they deserve to be in *Hansard*. They are from Hon Darren West, a Western Australian Labor Party member for Agricultural Region. I await with interest his breathtaking backflip which is no doubt on its way on this issue. The *Geraldton Guardian* of April 2016 reads —

The impact to regional communities under a proposed sale of the TAB was again highlighted as a Labor MLC's proposal to name a sponsored Geraldton Cup day race the "Don't Sell The TAB" stakes, was shot down.

...

Member for the Agricultural Region Darren West, who had suggested the controversial race name, said any sale of the TAB would have a negative impact on racing in regional WA, especially in clubs like Geraldton and throughout the Mid West.

...

... Mr West said regardless of the sale's value it would only be a matter of years before any sale would leave the racing industry worse off.

"The TAB provides \$93 million a year in funds to RWWA to put back into racing," ...

"A \$93 million return represents a 46.5 per cent return on investment.

"There is no way that return will come from a privatised arrangement.

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“I guarantee that funding will be reduced under a privatisation arrangement for regional clubs.”

It will be interesting to see whether he changes his tune if the government decides to sell the TAB.

I turn to my shadow portfolios, and the first is Fisheries. Recfishwest is disappointed to see the second licence fee increase in 12 months. It is disappointed that it was not consulted, does not believe the fee increases are necessary, and has not been advised as to how the funds will be spent. Fifteen per cent of recreational fees go to the peak body, 25 per cent to the recreational fishing fund, and 60 per cent to compliance, education and research. Recfishwest would like to see more accountability on how the 60 per cent is spent. WA has the highest licensing fees in Australia. Recfishwest has stated that in the last 12 months, recreational fishing priority projects have been delayed, reviews of important recreational fisheries have stalled, management changes to improve fishing are not being progressed, and now when someone buys a fishing licence they are not provided with a rule book to help them understand what they are and are not allowed to do. Any increase in fees should be accompanied by an equivalent increase in service. This did not happen last time the government raised fees and there is no reason to believe service will improve with the new fee increase. In the whole fisheries portfolio, placed as it is now into the larger grouping of regional development and agriculture, it is hard to determine quite a number of things.

[Member's time extended.]

**Mr I.C. BLAYNEY:** For instance, biosecurity for agriculture and fisheries, which was named by both industries as probably their most critical priority, has been lumped together. It goes without saying that both sectors are now looking at the figures and wondering who gets what. Both areas, agriculture and fisheries, are very concerned at the loss of highly skilled and very experienced people. Words such as “chaotic” are used to describe working conditions. Relocation of the Department of Fisheries into an isolated office has been seen to result in a loss of focus and responsiveness. Other questions I asked were about funds that will be required to compensate fisheries affected by the zoning of the Ngari Capes, Lalang-Garram, Roebuck Bay and North Kimberley marine parks. Funding for these does not seem to be in the budget papers. Likewise, the establishment of commonwealth marine parks and state marine parks in the south west will have a particularly severe impact on the shark fisheries in that area. This is ironic considering the level of concern about shark attacks in that region. I note also the strange decision by the federal government to place the exclusion zone around the sea lion colonies, basing its decision on 30-year-old data, with little scientific fact on the impact of the shark fishery on sea lion colonies. The industry set up a study on this that will run for a few years, but the government has gone ahead anyway, and that is very disappointing.

Agriculture has many issues with the government. Once again, there is a degree of disillusionment with a government that said a lot when campaigning, but has generally disappointed since the election. It is hard to pull figures apart and to try to find out in this new, bigger combined department where job cuts are happening, when the figures bundle agriculture, fisheries and regional development together. Frankly, I think the industries deserve better and more respect. The government recently announced new grain research facilities in Northam. This is a good thing; I welcome this. What is unclear from the budget papers is the ongoing operational funding. The flow of moneys for the facility is quite lumpy and there are no notes to explain whether it is co-funded, for example, with the Grains Research and Development Corporation. It will be hard to provide long-term stability to critically important employees if there are large swings of millions of dollars in the annual budget.

Another concern is the sheep industry business innovation project, which is run out of Katanning. This project was funded by royalties for regions and is important for the continued improvement of the state's sheep industry. I understand its funding runs out on 30 June this year and that, in many ways, the royalties for regions scheme really exists only in name. I urge the minister to urgently talk to Australian Wool Innovation and Meat and Livestock Australia about them becoming joint funders of the project and finding the funds to keep it going. In a similar vein, I ask: how secure is the funding for the future of the northern beef futures project? It is also necessary for the government to decide on the future of the Boyanup saleyards. I visited them last week to look at their condition. Industry tells me that funds should still be available from the sale of the Midland saleyards to put towards the replacement of these yards. It is an issue that the industry and communities in the south west would like an answer to. Mention was made of a strategic review of the agriculture department. I understand this allows the government to neglect the department for a further 12 months while the review is conducted. Why was this review not started 12 months ago? Wait awhile again.

Industry is also very concerned at the erratic flow of positions coming out of the state government on the future of live sheep exports. I am very concerned about the issues surrounding the transport of farm machinery on roads. I am also disappointed that there is no detail on how funds for regional roads will be spent. Industry is also very disappointed at the finish of Telstra's black spot program, which has made a huge difference to mobile coverage

**Extract from Hansard**

[ASSEMBLY — Tuesday, 15 May 2018]

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Mr Ben Wyatt; Mr Tony Krsticevic; Mr Vincent Catania; Mr Terry Redman; Mr Peter Rundle; Mr Shane Love; Dr Mike Nahan; Mr Bill Marmion; Ms Libby Mettam; Mr Kyran O'Donnell; Dr D.J. Honey; Dr Tony Buti; Mr John McGrath; Ms Cassandra Rowe; Mr Ian Blayney

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in the regions. The overall impression I get from talking to industry is disillusionment with a new government that seems to have little or no vision for the industries in the regions and is nearly already out of touch with them.

On regional development, as I previously stated, it is hard to work out where funding cuts lie with the joining of the accounts of regional development, agriculture and food and fisheries. The industries' priority, above everything else, is biosecurity and then preservation of research capacity.

Royalties for regions was the flagship program for the nine development commissions. People frequently tell me when they come back from inland or from the north how impressed they are with the effort Western Australia puts in to keeping regional towns and cities in good condition. However, I accept that it was illogical for the previous government to have to borrow 25 per cent of the amount of our royalty income to put into the royalties for regions program when effectively, in at least one year, all our royalties disappeared over the state border under the GST system. Clearly, the program and how the funds are raised and spent will need some fine-tuning. Funds need to be allocated with the long-term aim of employment generation. Despite this, it is clear that the program is now a shadow of its former self. The funds are going into regular government spending, almost in their entirety. However, putting funds into other ministries, basically as a substitute for regular government spending, was unavoidable when the price of iron ore crashed to \$37 a tonne and, at the same time, the GST return dropped as low as 30 cents in the dollar.

As I have mentioned before, I am really concerned about the future of projects funded in the agricultural area under royalties for regions. The sheep industry business innovation project at Katanning is one of these projects. I think the minister needs to wear out some shoe leather chasing funds from the research and development corporations on the east coast.

I am disappointed that the Telstra black spot program has come to an end. I think it was one of the signature programs of the Barnett government. The lift in the availability and quality of mobile services has been very good for people who live in the regions and much safer for those travelling in them.

I was glad that the government came to its senses on the Schools of the Air issue. Its closure was a poor decision and it caused huge concern for the families that rely on them. Issues such as reduced funding to the community resource centres will also cause concerns for regional people.

I also think the government will soon need to proactively address the concentration of Western Australia's population in Perth. We need to shift government jobs to the regions. The former government was shifting the Department of Environment Regulation to Bunbury, which should be completed as soon as possible. Likewise, I think the new rural fire service needs to be located in a regional city. To me, that seems logical. For too long, restructuring has meant that jobs are moved from the regions to Perth. Frequently, they could just as easily have been moved the other way, but the decision-makers all live in Perth, and so that is where they think everyone should be. It is clear that it is not enough just to build good places for people to live; we also have to actively start encouraging people to move and decentralise Western Australia.

I will follow the progress of the state's finances and the government's measures and their effects with interest. I would like to endorse the comments made by the member for Kalgoorlie about the Meekatharra–Wiluna road. Earlier today, the Minister for Transport said the government had finally started building the roundabout that is required on North West Coastal Highway in Geraldton. It was delayed at the request of the City of Greater Geraldton because it was trying to talk a property developer into contributing to it and moving it down the road a bit, so the reason it is being started only now is that the former government gave the city council 12 or 18 months to try to get the property developer onside. They waited but the property developer did not come onside, so the roundabout is now being built. The former government was committed to it.

Finally, I hope that we soon get good, soaking rains across the southern parts of the state.

Debate adjourned, on motion by **Mr D.R. Michael**.