

Dr Mike Nahan; Mr Roger Cook; Mr Ben Wyatt; Mr Bill Johnston; Acting Speaker; Mr Peter Watson; Dr Tony Buti; Mr Paul Papalia; Ms Simone McGurk; Mr Fran Logan; Mr Dave Kelly; Mr Peter Tinley

APPROPRIATION (RECURRENT 2016–17) BILL 2016
APPROPRIATION (CAPITAL 2016–17) BILL 2016

Declaration as Urgent

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

That in accordance with standing order 168(2), the Appropriation (Recurrent 2016–17) Bill 2016 and the Appropriation (Capital 2016–17) Bill 2016 be considered urgent bills.

Cognate Debate

Leave granted for the Appropriation (Recurrent 2016–17) Bill 2016 and the Appropriation (Capital 2016–17) Bill 2016 to be considered cognately, and for the Appropriation (Recurrent 2016–17) Bill 2016 to be the principal bill.

Second Reading — Cognate Debate

Resumed from 12 May.

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [4.32 pm]: I rise to make some comments about the 2016–17 budget. I hasten to add that I am not the lead speaker for the opposition. That will be the Leader of the Opposition, who will speak later in the debate.

This is a disastrous, horrible budget. It was rightly described by the media in their tweets as the Treasurer was speaking here last week as the worst budget ever handed down with the greatest forecast budget deficits and the highest debt in the state’s history. This budget raises household fees and charges. It will impact on the citizens of Western Australia—not just current members of the community, but their children, their children’s children and their children’s children’s children, as we have to pay off the legacy of the Barnett government, which has wrecked the state’s finances and presides over a state economy in decline.

The state health budget is redolent of the proverb “As you sow, so shall you reap.” In some respects, I almost feel sorry for the current Minister for Health. It is interesting to look at the dynamics of this place. The previous Deputy Premier sat next to the current Premier alongside the current Treasurer and the current Minister for Health. I can imagine the current Treasurer and the current Minister for Health looking to their right thinking, “What have you given us?” The Treasurer is presiding over the worst budget in the state’s history, and the Minister for Health is presiding over a disastrous budget that he will have to try to retrieve. Whereas I am sure that he would like to think that his time in the health portfolio would be one of advancement, progress and reform, it will be a time of managing the portfolio with a budget in which he will have to cut, cut and continue to cut. He will have to cut staff and services. He will be known as the minister who tried valiantly to retrieve a disastrous budget management regime that he inherited from the previous minister, and unfortunately he will be remembered as the wrecker—the man who had to come in and deliver the bad news to section after section of the department.

The previous Minister for Health presided over exponential growth in the health budget. He gave big pay rises to doctors and nurses—good luck to them; I wish them well—that were clearly unsustainable. He privatised hospital services, which will continue to inhibit the capacity of the current minister to manage the health budget. The fact remains that the problems of the health budget today have been festering throughout the reign of this government. The problems with the health budget today are entirely of the Barnett government’s own making. The health budget is in freefall. It is a runaway train that the current minister will have to try to arrest, but which he is seemingly incapable of arresting.

The minister has signalled in this budget that he is hoping to achieve savings of over \$620 million across the forward estimates. Those savings will be sought through a range of measures, including new wages indexation, reallocation of non-hospital expenses, an efficiency dividend, and a new indexation of non-salary expenses. While we will continue to see growth in demand on the health budget, this minister sees the health budget as meeting the growth in demand through cuts right across the forward estimates that he will seek to gain through a range of measures including cuts to wages growth, a review of expenditure by the Department of Treasury, and by continuing to try to arrest the blowout in the health budget system.

One of the precursors of that great blowout had nothing to do with the current minister. To a certain extent, it probably had nothing to do with the previous Minister for Health. The responsibility rested with the Premier and the director general of the Department of the Premier and Cabinet. In an extraordinary break from the conventions of the Westminster system, in the middle of the caretaker period, this government awarded nurses a 14 per cent increase in wages over the life of their enterprise bargaining agreement. Without any pressure from the opposition, and without any need to intervene in the context of the election period, this government awarded

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a 14 per cent increase to nurses. That was followed by a 12 per cent increase for doctors, and a similar increase for salaried officers in their EBA negotiations. Good luck to them—I wish the doctors, the nurses and the salaried staff well; I think they earn their salaries. But one of the demands in the health portfolio is to keep a limit on the rising costs of health service delivery. That challenge has been substantially met by governments in other jurisdictions, but it is a challenge that this government has fundamentally failed.

Although there is downward pressure on the national efficient price in health care, due in large part to the careful management of health budgets in other states, in this state we have seen an explosion in healthcare expenditure, which as a headline figure the government would say is good, but in terms of the delivery of services, efficiency and value for taxpayers money represents a failure of this government. The government has said previously that this is not a problem and that it has a glide path for the health budget that will see us meeting the national efficient price in 2020–21. In 2013–14, the government claimed it would meet the national efficient price through a glide path that would take it through to 2017–18. In 2014–15, the government stated that it was not going so well and that the glide path would be pushed out to 2020–21. Still, the Western Australian average unit price continued to rise. In this budget, the government has given up on any form of participation in the national reform agenda by decoupling its aspirations for healthcare cost constraint to matching the state price to the national efficient price. Budget paper No 3 states —

Since the 2013-14 Budget, the Government has funded WA Health on a policy based on transitioning the cost of delivering public hospital services in Western Australia to the national cost benchmark, known as the Projected Average Cost ...

It is interesting, Madam Acting Speaker, (Ms J.M Freeman)—members will appreciate this information for the estimates committee hearings—the way that the government has changed this language year in, year out to try to deflect attention from its failure to meet any sort of national benchmark. It has been called the national efficient price and the national price. This year it is the projected average cost. The government goes on to state in budget paper No 3 that it has essentially failed in that effort to meet the cost transition. This was based upon the agreement between the Department of Health and the Department of Treasury. The government said wait for us to get our act together and our house in order, because we will bring down the cost of the WA price, so long as they prop up the government in the meantime through a community service subsidy to meet the glide path to the national efficient price. The government has essentially decided to what they call “decouple” the state price from the national efficient price.

Mr B.S. Wyatt: It’s a polite admission of failure.

Mr R.H. COOK: It is a polite admission of failure, member for Victoria Park. The government has essentially surrendered. It is a concession at long last that this government is incapable of managing the health budget. It is a concession by this minister that the previous minister’s handling of the health budget was so incompetent that he has essentially given up any aspiration he had of being able to meet the performance of health systems in other state jurisdictions. Although we have seen the national efficient price come down because other jurisdictions are becoming more efficient in their delivery of health care, the weighted average price in Western Australia has increased. It has gone from \$5 587 in 2015–16 to a projected weighted average unit price of \$5 767 in 2015–16. Despite the sackings and the redundancy programs that the minister has been defending day in, day out and the government saying that it is taking hard decisions to bring the budget under control, it is essentially failing in its task to arrest those costs. This minister is presiding over an increased weighted average unit price; whereas, ministers for health in most other jurisdictions and collectively are presiding over a reduced price. The gap between the weighted average unit cost and the national efficient price is getting wider; it is not being reduced, as the government has claimed it has over the last few budgets. The budget papers show that in 2014–15 that gap was around 10.3 per cent. Based on the figures for February 2016 that gap is now over 17 per cent.

Something is going drastically wrong with the health system in Western Australia. Other jurisdictions are managing their health systems effectively and are collectively bringing down the average price of hospital services, but in Western Australia that average price is increasing. We would think, therefore, that we would have hospital services that are second to none; that staff are not under pressure in relation to numbers and workloads; that ward clerks would not complain that they have to abandon their posts to backfill other positions; and that patients would not say that they went to a hospital, such as Rockingham General Hospital, where they had had their antenatal care, to deliver their baby and were told at 5.00 pm on a weekday that there was no paediatrician in the building and they had to get back in their car and drive to Fiona Stanley Hospital to deliver their baby. We would think that we would not have a system in which over 95 cancer patients at Fiona Stanley Hospital are waiting over 30 days to receive emergency operations. We would think that we would not be in the situation of the minister demanding that paediatric services at Bentley Hospital be shut down. Maternity services

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at Bentley Hospital were saved by the skin of their teeth by a public outcry that made the government do a backflip on the issue.

Mr B.S. Wyatt: For the short term.

Mr R.H. COOK: As the member for Victoria Park said, in no way has it been assured that those services will continue in the future; simply, that the closure has received a temporary reprieve. We would think that there would not be patients like Charmaine Champion's daughter who was told that she could not deliver her baby at Rockingham hospital and would have to go up the road. We would think that we would not have patients waiting two or three years for orthopaedic surgery. We would think that we would have a hospital system that is humming, not a hospital system that is the subject of ongoing complaints, such as those in relation to Fiona Stanley Hospital, or Princess Margaret Hospital for Children, where the therapeutic play coordinator has been cut completely. Play coordinators play an important part in the clinical process, which this minister has seen fit to close and to sack staff. We would think that we would not have the situation in which an important service, such as the anorexia nervosa program for child and adolescent patients, would be shut down subject to some sort of review. We would think that in WA, where the weighted average unit price for a hospital episode is much higher than in other states, we would have a hospital system that is not subject to these cuts. But, of course, we do. Western Australia is on the wrong side of the equation. On the one hand, we have cuts to services and, on the other hand, as taxpayers, we are paying more than just about any other state.

[Member's time extended.]

Mr R.H. COOK: Thank you, Madam Acting Speaker. This minister is hamstrung in how he can cut costs because the other gift this minister has to contend with from the former Minister for Health is the disastrous privatisation policies. They essentially hamstring the minister in how he can cut those costs. For instance, for the contract with Serco at Fiona Stanley Hospital, the minister has a fixed cost that sits inside the budget. The minister is unable to manage it properly to realise further savings to the system. At Sir Charles Gairdner Hospital, the minister now has an element of the hospital functioning around the parking costs whereby he built 300 car park bays at the new Perth Children's Hospital and essentially handed the revenue over to the private operator of the parking spaces at Queen Elizabeth II Medical Centre. Although the department went to the expense of building these car parks, the revenue is sucked up by a privatisation contract that was gifted to the current minister by the previous minister. The Minister for Health will ultimately have other fixed costs built into the system, such as the establishment of the new East Metropolitan Health Service board. We are very pleased for the people in the East Metropolitan Health Service district, as I have explained to the member for Belmont—it is good to see her in the chamber this afternoon, to the great exclusion of just about everyone else, but I am pleased that she is here—that they have their own health services board.

Ms R. Saffioti: She was out of the chamber when the Premier said he would sell off the TAB.

Mr R.H. COOK: We defended the member for Belmont as the Premier maligned her, saying that no-one objected to the sale of the TAB.

Mrs G.J. Godfrey: That's wrong.

Mr R.H. COOK: It is wrong because the member for Belmont and a few of her colleagues, such as the member for South Perth, who is also in the chamber this afternoon —

Mr B.S. Wyatt: He's given up.

Mr R.H. COOK: The member for South Perth has given up that task; he got 30 pieces of silver through his higher duties responsibility, did he?

Mr J.E. McGrath: It is still a work in progress.

Mr R.H. COOK: A work in progress; is your opposition to it a work in progress, or is its privatisation a work in progress?

Mr J.E. McGrath: I support the sale of the TAB; I have never been opposed to it. They are good for the racing industry.

Mr R.H. COOK: The member for South Perth has to be careful with those backflips. He could do his back in or he could pull a hammy through those sorts of gymnastics.

Mr B.S. Wyatt: The member for South Perth is more nimble than he looks.

Mr J.E. McGrath: There is nothing wrong with doing a backflip as long as you land on your feet!

Mr R.H. COOK: The current Minister for Health has been dealt a dud hand. He has been given the hospital pass of all hospital passes. From the previous Minister for Health, he inherited a health system with costs running out

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of control. He was delivered a Department of Health with a weighted average unit cost that far exceeds the national efficient price and it continues to run further northwards. The minister was also given a health system with in-built costs that he has no capacity to control, such as the privatisation contracts that are now littered across the health portfolio and other built-in fixed costs such as the new health services board, which is now spread across the metropolitan health services. Although the minister will continue to attack staff numbers, which will ultimately impact on frontline services, he will be hamstrung in how he can go about bringing the cost of the health system under control. It is an unenviable task and one in which he is not being helped by either the previous Minister for Health or the Premier in his offer to the nurses at the last election.

Although the minister continues to cut costs, we have a health system with declining service levels and it does not give the WA taxpayer value for money. We have the worst of all worlds. Essentially, in the budget papers, the Minister for Health has conceded defeat that he can compare himself in any way with other health jurisdictions because, quite frankly, he has given up trying to achieve the national efficient price.

We could provide further analysis and accountability of the health department's performances but, in the short time he has been minister, the Minister for Health has failed to produce any quarterly performance reports whatsoever on his department. I wanted to come to this place today to talk about other aspects in which the department is failing in its service delivery, but the fact remains that the department has not produced a quarterly performance report since September 2015. We missed out on the October–November–December quarter and we missed out on the January–February–March quarter. For people like me who like to watch the performance of the health department, apart from the headline figures that we now see in the budget papers, we are unfortunately unable to provide further analysis of the way the department is performing. So we also now see secrecy from this government in the way it is managing the Department of Health.

Mr J.H.D. Day: The answer is in your upper house question this afternoon.

Mr R.H. COOK: That would be very pleasing to see, minister. For the life of me, I cannot understand why the minister would sit on those reports and not publish them in a transparent and accountable way.

I now want to spend a few minutes talking about the issues that impact the Kwinana electorate. The budget papers show the government's continued adherence to the failed policies of extending Roe 8 through the Perth Freight Link. I want to place on record my appreciation for the City of Kwinana staff who have done a great job continuing to agitate and do research and work to promote the Fremantle outer harbour. There is no project more important to the future of the Kwinana industrial strip than the extension of container operations in the Kwinana area. It is ridiculous that the government seeks to commit so many billions of dollars to Roe 8 and the Perth Freight Link, ripping up and tearing apart neighbourhoods and forcing truck movements into a harbour that will reach capacity in 2020–21, when we have such a golden opportunity to seize upon the future for the Kwinana industrial strip. We can activate big tracts of land in the Latitude 32 industrial precinct and provide a new future for the youth of Kwinana by boosting their training and employment opportunities to make sure we have a future for the Kwinana and Rockingham districts. For the life of me, I cannot work out why the government continues to try to flog the dead horse of Roe 8 and the Perth Freight Link that jams containers into the highly constrained Fremantle port when it has such a good opportunity to move forward now on the Fremantle outer harbour. I was very proud to see yesterday's announcement from the federal Labor Party. It has committed \$2 million to continue to support the planning and development of the Fremantle outer harbour because it is only through the Fremantle outer harbour, and taking that opportunity now, that we will secure the economic future of areas such as the Kwinana community. It is pleasing to see that at least the federal Labor Party recognises the position and the strength of the position championed by WA Labor to proceed immediately towards the Fremantle outer harbour and achieve a rational outcome for the people of Western Australia. It will secure the economic future of the Kwinana industrial area by continuing to develop it as an important hub for economic development and export and logistical services, and to make sure that Western Australia continues to thrive into the future.

I also want to talk briefly today about the redevelopment and upgrades of Armadale Road and the Cockburn bypass, or the Cockburn bridge as it is starting to be referred to, and I want to commend federal Labor for today announcing that it not only will commit \$80 million to the upgrade of Armadale Road—both sides of politics have already committed to Armadale Road—but also will see the continuation of the upgrade of Armadale Road to the development of the Cockburn bridge. It makes no sense to do as the Turnbull government and the WA Liberal government have proposed, which is simply to upgrade Armadale Road, because all it would do is improve road access to an already congested area around Cockburn Central. We have to provide some way of relieving the congestion in this area, and the policies announced today by Anthony Albanese are congestion-busting policies that will relieve the congestion in the areas to the north of Armadale and Cockburn and actually provide efficient traffic flows to ensure people can get to work efficiently and easily by accessing Kwinana Freeway from Armadale Road with much greater efficiency.

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The building of Cockburn bridge is a game-changer for the people of Armadale and the people of Cockburn. The building of the Cockburn bridge will make sure that we can ease congestion in this area once and for all, and thank God for federal Labor—Bill Shorten; Anthony Albanese; Matt Keogh, the candidate for Burt; and Josh Wilson, the candidate for Fremantle—because they at least are looking after the public in this area and making sure that Australia goes forward.

MR B.S. WYATT (Victoria Park) [5.01 pm]: I rise to give my response to the Treasurer's budget speech. The member for Kwinana has already made the point that the Leader of the Opposition is the lead speaker for the opposition. Before I deal with the budget, I want to begin by noting two people who are no longer with us. Firstly, Rob Riley. We lost Rob 20 years ago on 1 May. I had the very great honour of giving the Rob Riley Memorial Lecture at Curtin University last Friday night, and it was indeed an honour. There was a wonderful turnout and a wonderful range of speakers, and I want to acknowledge that it has been 20 years since we lost Rob; it has gone by very, very quickly.

I would also like to acknowledge someone I did not know as well as I knew Rob, but who I had met around Perth; we all seem to know everybody, particularly in the business community. I just want to acknowledge the passing of Geoff Rasmussen, who died a few weeks ago. Geoff was the managing director of Azure Capital, but perhaps became better known to members of Parliament through his role with Ride for Youth. Certainly, the turnout of people at his funeral at Christ Church Grammar School was massive. As Mark Pownall noted in his piece on Geoff in the *Business News*, it was most unusual because even though the funeral was at Christ Church, Geoff was not from Perth originally. He had developed an incredible range of supporters, friends and colleagues during what can only be described as an incredibly successful career in investment banking effectively. He was only 45 when he died, and I just want to note that. Although I did not know him well, I had met him around, as most of us in this place no doubt had. I pass on my condolences to Geoff's wife, Bron, and three children, Sophie, Sami and Josh, all of whom performed incredibly well and bravely at Geoff's funeral.

I turn now to the budget. What an extraordinary document. I noted during a rather tawdry performance today in which he attacked the member for West Swan that the Premier purported to be the person who gets up in this place to give lectures on financial management. He has always had a little weak spot when it comes to the member for West Swan; he is always having to draw himself back in from the unfortunately naturally nasty perspective he can often bring, and it always tends to be focused around the member for West Swan, which probably goes back to the Gallop years. But it is a particular weak point the Premier has—that particular nasty streak when it comes to the member for West Swan. It does him and the office of Premier no justice. I think he resents the fact that the member for West Swan is the person in this place who has the most experience in financial management. He stood up in this place this afternoon during the matter of public interest and dared to lecture the house—Labor, Liberal and National—about his huge success in the area of asset sales. Although in response to interjections he kept saying, "I'm going to get to the sale of Westrail Freight", he conveniently sat down before he had to deal with that debacle, with which we are still dealing today.

We are still dealing with that mess today. The member for Geraldton, who is not in the chamber, did a very good report through the Economics and Industry Standing Committee into the residual effects of that botched sale. The Treasurer stood up and flippantly and ridiculously said that it was an Australian Labor Party—Electrical Trades Union report. If the Treasurer is going to get into this debate, he should be honest about it. It does him no good, and it does the debate no good, to stand up and say it is an ALP report. It is not. Identify who the report is from; I have no problem with that, but be honest about it. He stands up and makes absurd comments, such as that Western Power does not pay tax equivalents. The member for Cannington stood up immediately after him to point out and read through the tax equivalents that are paid by Western Power. The Treasurer is going to have to do better than that. The member for Cannington outlined exactly what was in the Western Power report and in the budget papers.

Dr M.D. Nahan: He did not.

Mr B.S. WYATT: Treasurer, just listen.

Point of Order

Mr W.J. JOHNSTON: We have only a short time before the dinner break; we will not get to it if the Treasurer does not behave.

The ACTING SPEAKER (Mr P. Abetz): That is not a point of order.

Mr W.J. JOHNSTON: Yes, it is a point of order, Mr Acting Speaker. He is interjecting —

The ACTING SPEAKER: Do not argue with me. I said it is not a point of order. Member for Victoria Park, please continue.

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Debate Resumed

Mr B.S. WYATT: If the Treasurer is going to get into this debate—I think he will be—again, what he said today was very different from what he said in his budget speech, but he needs to be honest. He has to be honest about this, because he regularly comes up with commentary on radio that is not honest, and I listen intently. He just makes numbers up along the way. He is not going to be able to do that when he wants to flog off a significant asset owned by the taxpayer. He is not going to be able to do that.

Dr M.D. Nahan: Do you stand by this document that the ETU put out?

Mr B.S. WYATT: I have not seen the document. I will look at it; I will read it, but I have not seen it. I will read it, because I will read every document on this. Right now the only document that is out there, the Treasurer's budget speech, says this —

A decision to sell the assets will only be made following confirmation that divestment is in the best interests of both taxpayers and electricity consumers.

The Treasurer made the point that the government is going to sell, and he does not even know if that is the case. He says, “We are going to sell if we're elected”, but he does not even know at this point whether it is in the best interests of both taxpayers and electricity consumers. I tell the Treasurer: I will undertake to read every credible document that is put out by the government on the sale of Western Power, because this flippant response that, “Oh, we're going to have a plan after the plan, but you know what? We're going to go to the election saying we're going to spend the money along the way”, is not going to cut the mustard. The Premier stands up and says, “Because I've been involved in every major economic decision since Federation, I know what I'm talking about.” In her three-minute contribution to the MPI, the member for West Swan refuted some of that. This is what the Premier is leaving us. I think we all know. Members opposite will see him off after the federal election. He is bowling up an asset sale to fix the financial embarrassment he has created, and then he is off. Do not think Western Australians are going to cop that.

This is what the Premier is leaving us; I refer to page 13 of the *Economic and Fiscal Outlook*. Dwelling Investment will be down 8.75 per cent. Just two years ago, colleagues, page 16 of the 2013–14 budget paper No 3, introduced by a former Treasurer, read —

Growth in the domestic economy, as measured by State Final Demand (SFD), is projected to ease —

“Ease”; I will come to that in a minute. The *Economic and Fiscal Outlook* continues —

as business investment declines from its peak. Following a plateau in 2013–14, SFD is expected to recover with modest growth from 2014–15 —

“Modest growth”; again, I will come to that. The *Economic and Fiscal Outlook* continues —

supported by a strong rebound in dwelling investment and stable household consumption.

One of the reasons the backbench has become so agitated about the three increases in land tax is that the government's 2013–14 budget was reliant upon strong growth in dwelling investment—building houses. The government introduced, in that very budget, an increase in land tax, followed by another increase in land tax, followed by another: 12.5 per cent, then 10 per cent of what was, effectively, a 20 per cent increase the third time. That is what the government did. Unsurprisingly, it had an impact on dwelling investment. In 2014–15, the year after the government's first two land tax increases, dwelling investment was at 3.9 per cent, then 3.75 per cent; this year it is projected at negative 8.75 per cent, followed by an anaemic 1.5 per cent. The Premier is also leaving us with a very healthy decline of 19 per cent in business investment. This is what will be hitting the Premier on the back as he walks out the door, following four years of decline in state final demands.

I have talked about this before. I understand we are an export economy, and sometimes we may over-read into state final demand figures, but the domestic economy of Western Australia has been declining for four years now, and is projected to decline again in 2017–18. That is five years of negative growth in state final demand. That is why the government has the figures it has in business investment, that is why it has the figures it has in dwelling investment and household consumptions, and that is why agencies such as CommSec that produce the various confidence reports—there are many of them—do not paint a very pretty picture for Western Australia. The government has come out of one of the—if not the—greatest periods of wealth creation in Western Australia's history. We would have thought we would have come out of that with a strong balance sheet, ready to take on the sorts of negative growth figures the budget is showing. We have come out of this, colleagues—I like the way the Leader of the Opposition put that today—with a deficit greater than the entire debt the government inherited in 2008; a one-year operating deficit greater than the TPS net debt that this government inherited. What an extraordinary position this Liberal Party has delivered us into.

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I think the Treasurer is trying his best, but he is walking a line that has no credibility because of past form. My ears still reverberate, as the member for Kwinana outlined, with that 14 per cent deal done during the caretaker period with the nurses that is still flowing through the books. The government is decoupling health activity from the national average price because it cannot meet it; 48 per cent of that difference, now up at 18 per cent, is made up of wages. Government members cannot just commentate on this and say, “Oh, but we had to pay the most, and you know what? We’d be in surplus if we had extra revenue.” At no point along the way has there ever been a firm Labor or Liberal commitment that GST will change. There was a whingey, whiney response from the Treasurer and the Premier on budget day and the day after that, “If we had our per capita GST we would be in surplus.” They may as well say, “If someone had given us \$4.7 billion, we would be in surplus.” It is an absurd proposition to take. It is not about financial mismanagement; it is about the fact that we did not have enough revenue. I hark back to 2012, when the Premier was the acting Treasurer—it was one of those stages when the government had gone through a few.

Mr M. McGowan: He was Treasurer.

Mr B.S. WYATT: He was Treasurer?

In 2012 he said, “I want to keep debt under \$20 billion.” The difference in the revenue that the state received, versus the revenue it was predicted to receive when Mr Barnett made that \$20 billion commitment was this: the Barnett government got an actual revenue return of an extra \$6 billion over that term. Government members are saying, “You know what? If our GST came in, we would have another \$4.7 billion and everything would be okay”, but if the government had stuck to its own financial targets things might not be too bad either. We would not be facing such a massive deficit. We might be facing a deficit, but nowhere near the size the Liberal Party of Western Australia is delivering up.

I want to note a couple of points. I am trying to find the arguments that have been developed by the Treasurer. The Premier had a better shot at it today. Admittedly, it was a nostalgic reflection on some of the failures of his career, but it was actually an attempt—I have not yet heard that from the Treasurer. During the Treasurer’s budget speech he stated an interesting point. The Treasurer articulated the rationale for the sale of Western Power and the growth in the asset base of the government. He stated —

An unprecedented peak in commodity prices and the accompanying population boom provided the impetus for significant growth in the public sector asset base. At 30 June 2008, the value of publicly owned assets stood at \$123.7 billion. The value of the State’s public sector asset base is now estimated to be \$191.8 billion at 30 June 2016. This is an increase of \$68 billion, or 55%, ...

I was interested in that because, firstly, it was a gross position being offered by the Treasurer. I am always interested in gross positions; they hide all manner of evil. Secondly, it made me remember that we no longer have as part of our fiscal strategy a ratio that takes into consideration the asset base of the state. We used to, until Troy Buswell changed it just after the 2013 election. We used to have, colleagues, a fiscal strategy called net worth, which was to maintain or increase the real net worth of the total public sector. Real net worth is the difference between total assets and total liabilities, adjusted for removing the changing value of money over time—that is, inflation. I am assuming that was a consumer price index deflator; it has never actually been made clear in the budget papers. We had that, then it was removed and a range of other fiscal strategies were put in place that were broadly easier to meet. The government did not meet them all and it is still not meeting them all—it is not projected to meet them all—but they are broadly easier to meet. The government moved away from a fiscal strategy that involved the asset base of the state. That, of course, makes one think: why is that? We should look at net assets or net worth. In this place we all talk about net debt; we do not talk about gross debt. Maybe the Treasurer will change the rhetoric to consider gross as opposed to net debt.

[Member’s time extended.]

Mr B.S. WYATT: Actually, the Treasurer is right. Between 30 June 2008 and 30 June 2016, gross assets increased by 55 per cent. But, colleagues, the problem is that when we look at liabilities to get to the net position, during that time they increased by a whopping 146 per cent. Yes, the Treasurer is right that we had a 55 per cent increase in the asset base, but he did not go on to say that we also had a 146 per cent increase in the liabilities of the state.

Ms R. Saffioti: He talks about one side and not the other.

Mr B.S. WYATT: He does not mention the other. What does that mean? Instead of a 55 per cent increase—again this is just the raw numbers; I will deflate them in a minute and get a really pretty picture—net assets increased by \$23 million, or about 25 per cent. That is broadly made up of one year—that shift from 2008 to 2009. If that is removed, colleagues, this government has presided over an eight per cent increase in net assets—that is about \$8 billion. Between 2009 and 2017—because we always hear about the asset investment program—we spent \$51.1 billion on our asset investment program. How much did our net position increase? It increased by

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\$8 billion. After a \$51 billion asset investment program over all those years, our net position increased by \$8 billion. Do members know why? We had a 146 per cent increase in liabilities. That is now being mowed because there are huge operating deficits. That was the point that Colin Barnett, the now Premier, was making way back in 2001 when he was talking about the net asset base of the state. He was critiquing the then Labor government, not long after the then Labor government came into the power, and he was agitated about the potential loss of the AAA credit rating, ironic as that may seem. This is what the Premier said, referring to his own time in government during the Court years —

Not only did net assets increase, but also the net debt went down by \$4 billion.

He was right. That would underwrite the asset argument that the Treasurer made in the budget speech, but the Treasurer has not been reducing the net debt, has he? Despite a \$51 billion spend on an asset investment program, the government has increased its net worth by only \$8 billion, which is projected to go down next year. If we look at where our net worth position is now, it is about the same as it was at 30 June 2011. It is stagnating on the raw numbers. I want to do two things because I know the Treasurer likes to pin the blame on his spending on population growth. I want to give a quick per capita figure on his assets if it is deflated—because they are just the real numbers. I spoke to a couple of colleagues who are much more knowledgeable in this space than I am. The net worth of the old financial target was deflated, I think, by inflation—probably CPI; I do not know. It is probably not an appropriate way to deflate an asset base, so let us deflate it by the state final demand. Our net asset position has not changed at all since 2008. It is exactly the same despite \$51 billion in asset investment. If we do it by a per capita basis, as the Treasurer likes to do, we have gone backwards. We have shrunk our asset base by 16 per cent on a per capita basis, adjusting for an SFD deflator. That had better not be the one argument the Treasurer is presenting—that it is because the gross assets have decreased so dramatically, and they have. But, of course, as the member for West Swan pointed out, if we look at the other side, the liabilities are far out stripping the growth, on a percentage basis, of the assets. I want to say it again, colleagues, because I want you to remember this: the government has spent \$51.1 billion on its asset investment program, but its net asset position has increased by \$8 billion. That is what the government has done as a result of the borrowing. There had better be a better argument presented for the asset investment program than the government simply coming in here with figures around gross assets.

That has been the dodge at the heart of the budget—this tricky little \$5 billion infrastructure fund, funded by money that is not yet realised and potentially may never be because we do not yet know what the National Party is going to do and we do not yet know, because the Treasurer’s speech tells us so, whether the sale of Western Power or Horizon’s Pilbara transmission and distribution assets are in the best interests of taxpayers or consumers. We do not know that. We have seen this time and again, including the situation with the students of 457 visa holders. Do members remember that—part of that wonderful fiscal action plan, that sweet FA plan delivered by Mr Buswell? When questions were put to the Minister for Education in the upper house, he said, “We weren’t spoken to by Treasury. We don’t actually know how many students we have whose parents are 457 visa holders.” Then there was the workforce renewal program. Within six months, \$100 million had slipped out the back door. Do members remember that? I am interested to see how we are going with that. Do members remember the future fund? The future fund is my favourite—that dodgy little accounting trick that is the future fund from 2012–13, I think. It was in the budget of Christian Porter. Members may remember it. He gave the budget and then quit. It was a very prescient move by Mr Porter.

Mr W.J. Johnston: Troy handled the legislation; do you remember?

Mr B.S. WYATT: He did, and Troy was not convinced by that baby either! Then we had the Christian Porter budget followed by the member for Riverton’s budget last year, “net debt peaking”. We do not talk about net debt peaking anymore because it is simply not happening under the trajectory given by this government. This is the reality, and that is why none of the media were convinced. I was surprised by the cynicism, in particular of the print media, about this budget. I knew the government had a problem when the day after the budget was presented, we were talking about who is leading the Liberal Party. I knew there was a problem with the budget then.

Mr M. McGowan: We were not talking about it; they were.

Mr B.S. WYATT: No, they were. We were doing media conferences about the finances, but all people wanted to talk about was who is leading the Liberal Party.

Mr P. Papalia: Robert Taylor earns his money.

Mr B.S. WYATT: That is correct. Robert Taylor is paid well.

What an extraordinary situation we find ourselves in, colleagues. At the end of one of the greatest periods of wealth creation in our state’s history, we find a balance sheet like that, with an operating deficit of nearly \$4 billion.

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Ms R. SAFFIOTI: The economic masterminds.

Mr B.S. WYATT: The economic masterminds! Today the Premier gave us that fine lecture on how he broke it all up and how he solved things. Again, the Premier does not listen to Mr Sims from the Australian Competition and Consumer Commission. The problems identified by Mr Sims are exactly the problems that Mr Barnett created when he sold the pipeline—state governments selling to try to maximise the outcome but then inhibiting the economic growth of the state going forward. That is what Rod Sims talks about now. He saw what Colin Barnett did during the Court years. We have to learn from that. Let us look now at what happened with Westrail Freight. I am utterly perplexed why a farmer in the wheatbelt would back this mob, the National Party, in any way, shape or form. I am stunned by that, because the National Party not only sent them up the river without the paddle when the government originally agreed to sell it, but also will not support the tier 3 rail. I do not understand in the slightest why the National Party continues to get support in the wheatbelt. But there is a plan—of course there are plans—which is what the Premier said. This is all manageable, but it has to be a consistent plan; it has to be a credible plan. The problem is that there have been a number of different ones. Troy Buswell changed the fiscal strategy just after the 2013 election. The 2013–14 midyear review changed the way, midyear, in which iron ore royalties were forecast to go up, conveniently, an extra \$1 billion. Time and again the Treasurer has come in here with a plan to sell assets. The one that he has put away cost the balance sheet. It has a negative impact on the balance sheet. It was a bad sale. The Treasurer has explained the reason, “But you better carry the assets that you are going to sell on the books.” This is the problem the government has had. It has had tricks in the books and it has failed to meet the strategies; therefore, Western Australians do not believe the government anymore. The Liberal Party can go to the next state election saying it will sell Western Power—no doubt it will do this; I called the Treasurer on this a couple of weeks ago—it will have a publicly funded advertising campaign justifying the Liberal Party’s policy to sell Western Power. Western Australians already are scratching their heads and looking at Mr Barnett and the member for Riverton, and looking at the three or four hapless wannabes who want to take Mr Barnett’s role —

Mr M. McGowan: The contenders.

Mr B.S. WYATT: The contenders. They are saying, “Hang on a minute, after that huge period of wealth creation, that huge period of growth in revenue, colleagues, to this day, despite all those writedowns, guess who has the highest revenue per capita of all the states in the nation?” Western Australia—and it is projected to stay that way too, colleagues, across the forward estimates. It is not Tasmania; it is Western Australia. They will say, “They managed to get all that money, spend it, blow out debt and leave operating deficits” and now the government is going to flog everything off as it walks out the door. That ain’t a plan and I do not think the people of Western Australia are going to cop it.

MR W.J. JOHNSTON (Cannington) [5.31 pm]: I rise to speak on the Appropriation (Recurrent 2016–17) Bill 2016 and the Appropriation (Capital 2016–17) Bill 2016, which of course is a general debate. I want to turn straightaway to this question of tabled papers 943, 2199 and 3409.

Mr B.S. Wyatt: What are you going to read out from them?

Mr W.J. JOHNSTON: These papers were tabled by the Treasurer in his capacity as Minister for Energy. It might interest you, Mr Acting Speaker, that those tabled papers that were tabled in September 2013, September 2014 and September 2015 were the annual reports of Western Power. On page 57 of tabled paper 943, which is Western Power’s 2013 annual report, are the financial statements, “Statement of comprehensive income for the year ended 30 June 2013”. About halfway down the list of income, the income tax equivalent expense is \$78.103 million. It also has the figure for the previous year, of course, which was \$68.235 million. In the financial statement that the Treasurer, in his capacity as Minister for Energy tabled in September 2014, tabled paper 2199, on page 68, the same table, it has an income tax equivalent expense of \$87.841 million.

Dr M.D. Nahan: They were not paid to the general government.

Mr W.J. JOHNSTON: In tabled paper 3409, the income tax equivalent expense is \$147.406 million. It is interesting that the Treasurer interjected, in his usual unreasonable manner across the chamber, to say that they were not paid to the state government. I do not have the previous year’s budget but I have the one the Treasurer tabled for this year. I happened to have it lying around, given that the Treasurer gave us all a copy last Thursday. At page 205 it shows the tax equivalent income from the public trading corporations. For the budget year 2016–17, it is \$499 million. Let me explain exactly —

Dr M.D. Nahan: That is a dividend.

Mr W.J. JOHNSTON: No; I am sorry—you cannot be that stupid. Turn to page 205 and read it. It says, “Dividends from other sector entities”, and underneath that, you moron, it has “Tax equivalent income”.

Withdrawal of Remark

Dr Mike Nahan; Mr Roger Cook; Mr Ben Wyatt; Mr Bill Johnston; Acting Speaker; Mr Peter Watson; Dr Tony Buti; Mr Paul Papalia; Ms Simone McGurk; Mr Fran Logan; Mr Dave Kelly; Mr Peter Tinley

The ACTING SPEAKER (Mr P. Abetz): Member, I do not think that “moron” is a parliamentary term.

Mr W.J. JOHNSTON: I am sorry —

Mr P.T. Miles: Point of order!

Mr B.S. WYATT: Further to that point of order, in respect of what I think you are about to say, Mr Acting Speaker, the Premier today, in respect of the member for West Swan, accused her of being dumb, of not having a brain and being stupid. The Speaker ruled that that was okay. I think we are all okay with what the member for Cannington is saying.

The ACTING SPEAKER: While I am in the chair, I do not accept that. I ask you to withdraw.

Mr W.J. JOHNSTON: If that is your ruling, Mr Acting Speaker, I unequivocally withdraw.

The ACTING SPEAKER: Thank you. I appreciate that.

Debate Resumed

Mr W.J. JOHNSTON: I make the point that unlike the Premier of this state, I have standards. When I am directed to withdraw, I withdraw.

I appreciate my mother giving me such a good education, because I can read! I can read the budget paper of the Treasurer on page 205 where it says “Tax equivalent income” of \$499 million. Immediately above that, it says “Dividends from other sector entities” of \$984 million. Let us get this lie out of the way. It is a lie for any member of the government to say that tax equivalent payments from a government entity do not go to the state government. The Treasurer knows that is where they go. I am very appreciative of the table that the Treasurer has included in the budget papers to explain the relationship between government and trading enterprises. On page 229 a very simple little chart explains the difference between the total public sector and the public non-financial corporations and public financial corporations, and the consolidated account. This is somewhat complicated. I recently discussed this with somebody who I thought would have understood these things quite clearly, but they did not. Taxpayers pay into the consolidated account. That is the bit of the state that relates to taxes. When Liberal Party members of this Parliament voted in favour of increasing land tax on their constituents for three years in a row, the taxes that they voted to increase go into the consolidated account. But let us understand, as this little chart on page 229 of the budget papers explains, the public non-financial corporations, which include Western Power, are over on this little square. They are separate from the consolidated account. The money that Western Power raises from its customers is not tax revenue. It is not counted as tax revenue and it does not appear anywhere in the budget. What appears in the budget—the bit that we as parliamentarians approve—is the bit that comes in the form of tax equivalents, local government rates equivalents, dividends and loan guarantees, which, by the way, is over \$50 million paid to the government by Western Power because of the \$7.2 billion debt that Western Power has on its books. The government takes 0.7 per cent of the total borrowings of Western Power as a fee. That is over \$50 million. That is on top of all those other payments that are described. It is only those payments that come into the consolidated account and are included in the budget.

Let us understand what happens. If a government trading enterprise is sold, the revenue made from that entity to the consolidated account—not the whole revenue of the entity, because that is never included in the budget—disappears. It is not therefore available for use on hospitals, schools and roads. When I made that point earlier today during the matter of public interest, the Minister for Health interjected to say, “Oh yes, but nor is the debt servicing costs.” That is not correct. The debts are not serviced by the taxes that Liberal Party members voted to increase; they are paid for by the revenues of Western Power. Western Power gets its revenues from its customers. As we all know, most people in the state have a Western Power connection. Even though we are not actually customers of Western Power—because we pay Synergy and Synergy is then the customer of Western Power—of course we are impacted. That is a service fee. That service fee has nothing to do with the ownership of Western Power; it is actually a regulated issue, as the Premier explained during the MPI debate. That income will not go down if it is privatised. It is called a revenue cap. Western Power charges up to its revenue cap; that is what it does. If we privatise Western Power, we will lose the dividends, the tax equivalents, the rates equivalents —

Mr M. McGowan: The TEC subsidy.

Mr W.J. JOHNSTON: I will get to the tariff equalisation contribution subsidy in a moment; I am going to make a special comment about the TEC subsidy. We will also lose that 0.7 per cent. Let us understand that the \$7.2 billion of debt held by Western Power is included in the state’s net debt figure because it is part of the total amount of debt that is guaranteed by the taxpayer; in other words, if Western Power were to go broke tomorrow, we would have to pick up that debt. There is no question about that. That is why the government gets the 0.7 per cent; that is the calculated cost of that guarantee—around \$50 million a year. Of course, if the

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government sells Western Power, it will retire that debt but it will lose the asset, so that will not help it. In fact, as pointed out in the UBS paper about the New South Wales assets, the debt was paid off, but that debt was never paid for by the taxpayer; it was paid for by electricity consumers. Of course, the capital would be freed up for Western Power, but if that capital was spent on new non-earning assets such as schools or hospitals, the cost of servicing that activity would add to the costs, and revenue is needed to service that. This idea of selling assets to then recycle them into something else works only if the new asset that is bought has an income stream that services the debt, and that is the point UBS makes in its paper. UBS is no friend of the Labor Party. I recently met with UBS executives, who pitched to me the sale of Western Power. They went through their argument about why Western Power should be sold, and I respect the fact that UBS has that position. The Chamber of Commerce and Industry of Western Australia obviously has an ideological position that it should be done by the private sector, and I accept those arguments, but those arguments are not justification for the state of Western Australia needing more taxes. If the government wins the next election and sells Western Power, the next thing it will do is come back into this place to seek to replace the \$500 million a year that Western Power is currently paying the taxpayer.

As the Leader of the Opposition pointed out, there is also the question that is highlighted in the Orion Consulting Network paper that was put together on behalf of the Electrical Trades Union. There is also the tariff equalisation contribution. I am very pleased that the Leader of the National Party is in the chamber, because he should understand exactly what is happening here. In round figures, \$130 million goes from Western Power to Horizon Power to subsidise an issue that we all agree on—the uniform tariff. Back in the 1990s when the Premier was the Minister for Energy, he tried to get rid of the tariff equalisation arrangements—the uniform tariff scheme. In fact, he introduced the evolution of it for small business and it was only the reaction by the then Labor opposition that caused the Liberal–National government to reverse course on that decision to eliminate the uniform tariff.

Ms R. Saffioti: The Liberal Party leaked the cabinet submission done by Colin Barnett at the time. I remember it.

Mr W.J. JOHNSTON: Yes; there you go.

Let us understand that \$130 million is paid by Western Power to Horizon to subsidise the much higher cost of operating off the grid in those remote locations. As I am sure you are aware, Mr Acting Speaker (Mr P. Abetz), the New South Wales government is not selling the poles-and-wires business in the regional part of New South Wales, because of course it is not a profitable business. Who would ever buy a business that does not make money? New South Wales is continuing to retain that business in government hands because taxpayers are subsidising that regional scheme. It is not being paid for out of the revenues of the other distribution businesses in that state. However, in Western Australia, the \$130 million—whether it is a good idea or a bad idea is a separate issue—comes out of the revenue of Western Power. No-one in their right mind thinks that a private sector purchaser of Western Power is going to continue to pay that \$130 million, or they will demand a lower price for that entity or higher revenue. The government is proposing to move—it has not introduced legislation—responsibility for the regulation of Western Power from the Western Australian Economic Regulation Authority to the Australian Energy Regulator. The new owners are going to ask—I can guarantee this 100 per cent because it is in their interest to do so—that the TEC, if they continue to pay it, which I doubt they will, be included in their revenue cap. It is exactly the same thing. If the government sells that entity, either the tariff equalisation contribution will be paid by taxpayers, there will be a lower price for Western Power or there will be higher charges for the community in the south of the state.

There is another issue with that—that is, that built into Western Power is a subsidy from metropolitan and south west communities to wheatbelt communities. Again, there is nothing wrong with that. That is entirely appropriate. It is exactly what the Labor Party wanted when we disaggregated Western Power in 2006. It is the right thing to do. But who thinks that a private owner is going to put the interests of consumers in the wheatbelt ahead of profit? It would be against the company's incorporation if it did that. The idea that there can be some form of regulation to ensure it is ridiculous. We know that that is exactly what happened in Victoria. The royal commission into the Black Saturday bushfires pointed out that there had been an underinvestment in maintenance of the rural poles-and-wires business. I will quote from a presentation paper titled "Use Your Power", which is obviously a campaign by the ETU and the Australian Services Union in Western Australia to protect electricity consumers in Western Australia from the privatisation of Western Power. I will read a quote within a quote. It points out —

The Bushfire Royal Commission found that "...five of the 11 major fires that began that day were cause by failed electricity assets; among the fires was that at Kilmore East, as a result of which 119 people died."

That is a direct quote from the royal commission. The paper then goes on to state —

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Further, that the assets in question were not constructed to the industry guidelines at the time, and that the risk of fallen electricity assets was foreseeable and should have been prevented by following proper procedures.

That is a summary of the royal commission's decision. The then government of Victoria and the electricity asset owners argued against a recommendation that there should be an upgrade of the facilities, telling the inquiry that such proposals would cost billions of dollars and likely increase power bills by 20 per cent every year for 20 years. All the claims for lower costs for the privatised network in Victoria ignore how those lower costs were derived. They were derived by underinvestment in the fixed assets of that network. When the network went bad and killed 119 people, of course people sued the owners of the asset. There was a class action on behalf of the Kilmore East–Kingleake bushfire victims and that was settled for \$494 million, and there was a further settlement for other victims of another fire for \$300 million. Guess what? The Australian Energy Regulator, which the Treasurer will ask us to approve as the new regulator for Western Power, allowed the fixed asset investors to pass on the \$794 million in settlements to the customers. The Victorian power distribution customers paid for the settlement for the deaths of those people in those fires. They are the practices that the Treasurer says we should support in this state.

[Member's time extended.]

Mr W.J. JOHNSTON: No wonder cabinet will not agree to this wrong-headed proposal. This is the most bizarre situation in the world. I trust the National Party as far as I can throw it, which is not far at all because I am a weakling. It will fall over. If the Liberal Party forms government, its lapdogs in the National Party will support the privatisation of Western Power. I am going to ask a question of the Leader of the National Party and I am happy to take an interjection. Are there any circumstances in which he would form government with the Labor Party after the next election?

Mr D.T. Redman: The National Party is an independent country party, and we are asking people to vote for us on our merits.

Mr W.J. JOHNSTON: Are there any circumstances under which the Nationals would support the Labor Party? I want to know—it is pretty simple. Either the Nationals are lapdogs of the Liberal Party or they are prepared to back Mark McGowan as Premier. Are the Nationals prepared to back Mark McGowan as Premier?

Mr D.T. Redman: The National Party is an independent country party, and we are asking people to support us on our merits.

Mr W.J. JOHNSTON: This is the problem—these people will only support the Liberal Party. They are the country lapdogs.

Mr M. McGowan interjected.

Mr W.J. JOHNSTON: That is right. The National Party will only ever back the Liberal Party, and the Liberal Party is going to the next election saying “Vote for us and you get privatisation.” In fact, the Premier said today that if he wins the election, he expects the Labor Party to vote in favour of privatisation. The idea that the National Party will somehow provide protection to bush communities is a fallacy.

Mr D.J. Kelly: Member for Cannington, you know what they will do. After the election they will do a deal on Western Power in order to get another National into cabinet. That is what they'll do.

Mr W.J. JOHNSTON: Yes, that is right—another big white car. That is the price. The only way to prevent the sale of Western Power is to vote for Labor. The only way people can protect Western Power is to vote for Labor. The only way we can support and protect the community in this state by maintaining public ownership of Western Power is to vote Labor, because the National Party will not do it. If the National Party wants to support the bush, if it wants to have a uniform tariff policy, it can only do that with the Labor Party. That is what is being said tonight by the National Party, because it will back only the Liberal Party, and the Liberal Party is going to sell Western Power, even though the budget papers point out that even the Liberal government of this state cannot name a single benefit in selling Western Power.

The budget papers say that a decision to sell the asset will be made only following confirmation that the divestment is in the best interests of both taxpayers and electricity consumers. The government has no evidence that it is a good idea, but that is its election commitment. I heard the Treasurer during the matter of public interest debate today saying that he will hold an inquiry after the election. Let us make this clear: the government is promising to sell Western Power even though it has no evidence that it will be a good idea. Then it will hold an inquiry, and the National Party will go around the bush saying “Don't worry, we'll stand up to them”, but the problem is that the National Party is sidelined. It is irrelevant. It will never form government with us.

Mr D.T. Redman: Are you saying that the National Party is irrelevant in the bush?

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Mr W.J. JOHNSTON: That is right; the National Party is completely and utterly irrelevant outside Perth. It is absolutely irrelevant. It is just a splinter group.

Several members interjected.

The ACTING SPEAKER (Mr P. Abetz): Members—Leader of the National Party—just settle down and relax a little bit, and, everyone, just give the member for Cannington a fair go.

Mr W.J. JOHNSTON: Thank you very much, Mr Acting Speaker. I am very appreciative of your protection.

Let us make it clear: the Nationals are a barnacle on the Liberal Party, and that is it.

I now want to turn to Horizon Power. There is a proposal around that has come out of work done by the chairman of Synergy to sell the high-voltage transmission system of Horizon. We heard in the matter of public interest debate earlier today that this would enable CITIC Pacific to connect in. That is an interesting issue, because I can remember, in 2008, that the Liberal Party cancelled this project. It was, after all, the number one priority of the former Labor government. It was submitted to Infrastructure Australia, and we were negotiating on how to fund it and—this is not a joke—the first decision of the incoming government was to cancel the project. I remember Hon Alannah MacTiernan asking the Premier a question about it in one of my first question times in this house as a member. In reply, he asked whether she had talked to Rio Tinto, BHP Billiton, Fortescue Metals Group and CITIC Pacific about whether they even wanted to use it. What was the answer? A report was done by the chairman of Synergy. I do not understand how the chairman of Synergy, who has a full-time job administering Synergy, had the spare time to do a report into Horizon. Perhaps he does not need to be paid the full \$500 000 a year as chairman of Synergy. Maybe that is the case. Maybe he has spare time to do this work. He has done a report into this issue, but it is interesting that the report has never been made public. It was paid for by the taxpayer and never made public. The Treasurer announces the sale of Horizon on the same basis, that the government thinks it is such a great idea, but does not know anything about it, which is what he said in the budget speech, but we do not know any justification for electricity consumers in the south west of this state—you and me, Mr Acting Speaker—paying for this report. It was not paid for by the taxpayers of the state, it was paid for by Synergy consumers, because it was done by the full-time chairman of Synergy.

We do not know what is in that paper, but one thing I can guarantee is that the one profitable bit of the Horizon business is the high-voltage transmission system. Everybody knows, and it is not in dispute, that we cannot make money selling electricity in Wyndham, Kununurra or Indigenous communities. We cannot do it; it is too hard. We can look at the Synergy renewable energy buyback scheme rate shown on its website, which reflects the underlying electricity value in that community, and it can be up to 45 cents. Let us get a picture on that: it is less than eight cents in the metropolitan area, so it is five times more expensive just to do the electricity bit, without worrying about the poles and wires. The energy component is five times more expensive in some of these communities than it is in Perth. We cannot make money selling electricity at 26 cents, including the cost of transportation, when it is costing 45 cents just to produce the electricity before it is transported to the home. It is not a profitable business for Horizon; it never will be and it cannot be. We all understand that, and that is why there is a subsidy. However, the reason that the subsidy is not as big as it could be is that Horizon has one profitable unit, which is the high-voltage transmission business. That is the bit that the Liberal Party and the National Party are planning to sell. That will mean higher electricity costs for the people in Karratha, Port Hedland and every country town. In fact, it will mean higher costs here, because we have an equalisation scheme. If the cost of electricity goes up, people in the south west of the state will have to pay the cost, because of the tariff equalisation contribution scheme, unless we get rid of that, which the Labor Party will never do, because unlike the Premier, we agree with the uniform tariff scheme. The idea that it is going to be a benefit to sell the high-voltage transmission system is simply not true. There are great issues involved for the communities that are serviced by Horizon, and we are not going to cop that sort of nonsense.

When an electricity asset is owned by the government and the wires that are connected to our houses are owned by the government, if something goes wrong, people can go and see their local member of Parliament. I am sure, Mr Acting Speaker, that people come to see you complaining about issues relating to Western Power. Members can ring up Western Power, which has a parliamentary liaison officer, who can deal with it and we can get things fixed. If things do not get fixed, people can write to the minister and the minister replies to them. Tell me about the infrastructure for Telstra. Crawford Street in East Cannington is in a relatively inner suburb. In my electorate I have Queens Park, East Cannington and Beckenham, which are very dense new housing estates. In Crawford Street, every time it rains, the internet connections of all the residents up and down Crawford Street go down. The linesman who came to fix the problem told the residents that he had been told to go out and poke around, but the problem is that there must be a break in the conduit or something, and sand gets inside whenever it rains. They do not have time to fix it, so they just come out and inspect it, and when it stops raining and the cable dries out, the problem disappears. That is the service provided by private infrastructure providers, and do

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not get me started on the airport. The two big commonwealth privatisations were the airports and Telstra, and nobody is satisfied with their service. That is the plan that people are arguing for in supporting the sale of Western Power. Then there is the question of future technologies. Let us understand that future technologies, whether owned by the government or by the private sector, will be paid for by the same people. They will not be paid for by the investors; they will be paid for by the customers. All infrastructure owned by Western Power has been paid for 100 per cent by the customers of Western Power ever since corporatisation. There is no tax subsidy in the scheme.

Sitting suspended from 6.00 to 7.00 pm

MR P.B. WATSON (Albany) [7.00 pm]: It gives me great pleasure today to talk on the budget. Sorry; I had to run downstairs to get my notes.

Dr M.D. Nahan: Aren't you as fit as you used to be?

Mr P.B. WATSON: Not when I tripped over the top step and landed on my knee. I will probably be off work for a month, so no.

Dr A.D. Buti: Oh, poor Pete—I mean, Mr Watson.

Mr P.B. WATSON: Well, I was a distance runner; I was not a sprinter.

Dr M.D. Nahan: You were middle distance, weren't you?

Mr P.B. WATSON: Yes, that is right.

I have been here 16 years and this is probably the worst budget ever for the people in Albany and the regions in my electorate. There is not really much there. I was hoping that the Leader of the National Party would be here today, because every year, apart from the last two years, there has been a budget breakfast, and when I asked whether there was going to be a budget breakfast this year I was told no, and I can understand why; there is not much for Albany and the great southern. I would love to talk about lots of things that are happening in Albany from the budget—I can talk on sport and recreation a little later—but unfortunately there is not enough there for the people in our area. It is disappointing that there is no money in the budget for the ring-road, which is a very important project for our community. I could talk about the gas pipeline, but I have done that for probably seven or eight budgets in a row and nothing ever happens. I note that in the out years—2018 and 2019—there is going to be planning, or money has been put aside. This is something that has been promised as the major ticket in the last two election campaigns, yet we are now going into a third one and there is nothing on the horizon. As I have said locally, I would love to see the money that is put aside there to go to the ring-road. The ring-road will save lives. Anybody in Albany or the region who goes up to Albany either early morning, mid-afternoon when all the schoolkids are getting picked up or in the evening when everyone is coming home from work knows that the large roundabout is an accident waiting to happen. There are the big trucks that come through. I have seen the briefing from Main Roads Western Australia. It has plans, but obviously no money is being provided by the government.

It is not only the ring-road. We can look at places like South Coast Highway going towards Jerramungup. I was out speaking with the Jerramungup shire just recently, which is part of the new electorate. I also go out quite often to Wellstead and Manypeaks. South Coast Highway is a very dangerous road. We talk about dangerous roads when we drive. When I go out there I am always very conscious that I am near the white line, because if you go off these roads, with the camber that they have, there is no comeback. It is not the same as going up the freeway or along Stirling Highway where you can go a little bit over the white line and there is give and you can just keep going. If you go over the white line into the gravel, unless you are an experienced driver, you are in real trouble, because it just drops straight down. We have had so many trucks roll over on that road. What I would like to see is money spent not only on the ring-road but also on South Coast Highway to Jerramungup. When the election comes up, I know that the Labor Party will be putting royalties for regions funds towards roads, as well as from the road trauma trust fund. Up until this election there was over \$100 million in that fund. There is still \$37 million in there, and I congratulate the government on doing it, but it should have been done a long time ago—having that money sitting there was criminal.

When we look at the number of deaths in the great southern police district, we see that last year there were 15 for the whole year, but this year, there have been 20 or 21 road deaths already. I brought this up across the chamber today to the Premier and he said that it was all drink-driving. I found that to be a horrendous comment. For all the people who are killed on country roads, the Premier cannot tell me that it is drink-driving. It is a cause, but the Premier cannot come out and say, "It's not our fault. People shouldn't drink and drive." To the parents, partners and everyone else who has lost people on the roads, that is just a terrible, callous, uncaring thing for the Premier to say. He might have some stats and he might think it is a very clever thing to do, but I just do not think that we can put everyone together. I have known people who have died on Albany Highway. It was not always

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their fault. Cars sometimes come over from the other side of the road. People have gone off the road just through tiredness; they had not been drinking. I am flabbergasted and embarrassed that our Premier can make comments like that about people in our community and in the regions.

In terms of Homeswest maintenance, my tenants report that maintenance requests have been inspected and approved but then tenants have been told that there is no money available for non-urgent repairs. The requirement that commonwealth allowances are now deemed as income is another blow to those in the community who can least afford it, and it means that 25 per cent of any commonwealth allowance that they receive is a rent increase. Just the other day I found out that a 75-year-old lady had been living in a car for two years. We have now got her emergency accommodation. We have our seniors living in cars, people sleeping in the forts and people who are couch surfing with young children. This is a day and age when we have just had a great boom and we have massive debt that will go up to \$41 billion, but we have these people at the bottom end who have missed out. Some of my seniors do not go out. The one time they go out in the year is when I put my seniors concert on. When they come in to get their tickets they say, "This is the only way I can get out once a year. It's the only thing I can afford. I don't go to the movies or anything like that, I have to turn my lights off at night and I do not have my heater on," because they cannot afford all the costs that have been pushed on them by this government. That is an absolute disgrace. These are the people who have paid taxes all their lives and they are now getting to the time when they should be sitting back and relaxing, but they are under the pump. It is just not fair in this day and age.

I turn to the Great Southern Distilling Company's achievements at the World Whiskies Awards in 2016. Cameron Syme and his group won best Australian blended whiskey with their Tiger Snake Whisky, and the sherry cask barrel strength picked up a silver in the Australian single malt category. It was also named Australian distiller of the year at the Australian Distilled Spirits Awards and was awarded champion whisky for the second consecutive year and champion small batch spirit. Members can get some of the whisky from Great Southern Distilling Company at the bar here at Parliament House. It is great to see a local business doing so well. Cameron started it from scratch—he and his wife are the sole owners, I think. They have done a tremendous job to not only bring tourism to Albany but also start a business and compete against whisky growers—I think the term is whisky growers or whisky blenders—from all over the world. My congratulations go to Cameron Syme and his team.

I would like to talk about Ice Breakers, which was started by former addict Jamie Coyne. Statistics from the commencement of the program in March 2015 to January 2016—a total of 307 days—show that 52 people attended 207 group sessions. This is the education phase of the program. There were 55 people who had individual counselling and 704 people received Facebook support, which is just over 2.5 people per day. There were 150 phone inquiries about the program and 21 people attended family support sessions. Since 29 January this year, the program's statistics show that 265 people received Facebook counselling and support, and this service continues to grow; support was carried on when Jamie went on holiday. There were 32 people who attended group sessions; 15 people attended individual counselling; 14 people received family support; and six people received facilitator training. It is rewarding to see the number of people in this group who are Ice Breakers, wearing Ice Breaker shirts, which are a silent promotion of the program. Congratulations to Jamie Coyne and his grandmother, Margaret Gordon. They run this program just through the police and community youth centre. Drugs and ice are real problems in our community and it is good to see local people doing this. I call on the state and federal governments to look at grassroots programs, such as the one that Jamie and his grandmother are doing, instead of having these bigger picture things. That is the way we have to go in the future.

With the Olympics coming up, I am interested—this is a little bit off the mark here—in the Australian Olympic Committee's chef de mission, Kitty Chiller. She has been getting a lot of publicity for herself by attacking Nick Kyrgios. She said that he would not know what it is like to go to the Olympics and that he should not be in the team, and all these sorts of things. I wonder what her background is. I tried to look her up on Google but I could not find anything.

Dr M.D. Nahan: She was an Olympian.

Mr P.B. WATSON: Was she?

Dr M.D. Nahan: Yes—an ex-Olympian.

Mr P.B. WATSON: I am concerned that the chef de mission is telling people who should and should not be in the team. That is up to the national selectors. I did not get on very well with the chef de mission when I went away, but his name was not in the paper all the time, making decisions. I have never seen it before. I am a bit of a fan of Nick Kyrgios, a tennis player. A lot of people do not like him, but I think he has pulled his head in a bit and is doing a good job. He has knocked off four top-10 players this year. I watched the whole of Kyrgios' game when he knocked off Stan Wawrinka, the world's number 4. There was an issue with a line call and Kyrgios

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went out with the referee; on clay, they can point to whether it is in or out and they had a bit of a discussion about it. Kyrgios did not agree and he walked away. There were headlines in the papers the next day that Kyrgios was at it again. At the weekend, I watched a game when Novak Djokovic was playing, and he got into a rather heated discussion with the umpire. He actually pushed the umpire's arm away. If Nick Kyrgios did that, it would be a front-page headline all over the world, but not for Djokovic, the number 1 in the world. Nick Kyrgios is now on a 24-hour media cycle. Roger Federer said that when he was younger he used to do lots of things, but there was not a 24-hour news cycle around him. It is the same with Djokovic. We should get off this young bloke's back because he will be a great tennis player. Do not let us do what we always do, which is have tall poppy syndrome. Just let Kyrgios play and, if he keeps acting badly, it will be fair enough, but I think Nick Kyrgios has the possibility of being the world's number 1.

In regard to TAFE, why does our Albany TAFE have to be run from Bunbury? It is because the Liberal–National government loves slashing jobs and giving everything to Bunbury. It gave our district education office to Bunbury, our port was given to Bunbury, and now our TAFE is going the same way. Since the last budget, the Albany TAFE has had courses cut, the cost of courses has increased yet again, and jobs have gone. Now that the TAFE will be run from Bunbury, more jobs will go because contracts will not be renewed and people will be offered redundancies because their jobs in Albany will disappear. It makes no sense to me that someone sitting at a desk in Bunbury would know the training needs of the Albany community. However, what would we expect from this government that cut \$58 million from the training budget? It shows once again that the government has no real commitment to training and no plans for jobs, because everyone knows that training and jobs go together. I have been fighting for the University of Western Australia to provide an increased number of courses at its Albany campus and, to its credit, it has increased the number of courses on offer, but we need more options for study, not less, and what is happening at TAFE will limit those options for many people. Morale among the staff is at an all-time low because of the ongoing uncertainty over job losses and the time it has taken for this process to play out. I can assure the minister that this is a growing concern in Albany among those who work and study there, businesses that have staff trained there, and parents who want their children to study there. The minister needs to know what my constituents are telling me; that is, it is a stupid idea to move the TAFE, with no thought for what will happen locally and only for what will happen in Bunbury.

From the Community Sporting and Recreation Facilities Fund, \$10 million will go to the West Coast Eagles. I can understand that the West Coast Eagles have a big supporter base, but it is a money-making group.

Dr M.D. Nahan: The West Coast Eagles put about \$50 million into that. Most of that—in fact, all of our donation—goes to the social infrastructure, the community infrastructure, rather than the West Coast Eagles. It is just like we did for the Dockers the year or so before.

Mr P.B. WATSON: Okay; I will withdraw that. I am saying that we have the football stadium and all that money is going there, but small sporting groups are really struggling. I had a meeting the other day with all the volunteer groups that get their money through the TAB. With the threat of the TAB being sold, they are concerned that about a third of their funding will disappear unless money is put in from somewhere else. I met with the cricketers the other day. It is great to see that they have a deal at the new Perth Stadium, but I think the stadium has got a really good deal out of cricket. I can understand now why the Fremantle Dockers and the West Coast Eagles are a little bit worried about what they are going to get.

[Member's time extended.]

Mr P.B. WATSON: After hearing about the deal for cricket at the new stadium, I can understand that the stadium management would want to get the same out of the Australian Football League, but it will never happen. A concern for all the sporting groups, not only cricket and football, is whether people will be able to buy tickets to become members of the stadium. It is a bit like the situation with the Medallion Club in Melbourne. I think members pay \$10 000 a year and they get meals and they become members of the stadium. When the clubs want to sell tickets, how many people will take that up if they already have their tickets and meals provided?

I would like to congratulate the Department of Sport and Recreation and the government on the SilverSport program, which will provide up to \$200 per person towards fees, uniforms and equipment needed for sport and recreation activities. The program is being trialled in Belmont, Kwinana, Northam, Kalgoorlie–Boulder and Coolgardie. It is interesting that Belmont is a marginal Liberal seat, Northam is the minister's seat and Kalgoorlie–Boulder and Coolgardie are in the seat of the minister's National Party colleague. Albany has a very, very strong seniors' community. The Department of Sport and Recreation in Albany put in a request for the program. The statistics showed very strongly that a lot more seniors were in Albany, but we missed out and the other seats that may not have deserved it as much got it.

Congratulations to the government for funding the Centennial Park sporting precinct at last. It is a little disappointing. It is a little like what happened with the money for Anzac Day; it came close to the election. The

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City of Albany had to start all the projects and hope that the government would give it money, even though it said it would. It is a bit disappointing that politics comes into play in this regard because the City of Albany is doing a tremendous job with the sporting precinct. We have a good City of Albany at the moment. It is a good council. It is doing a great job. It is great that it has the money but it is a shame it has taken so long.

I turn to the trotting club. What a drama that was. Congratulations to Jim Swann and all the people who eventually got Racing and Wagering Western Australia to listen. For 12 to 18 months no-one in Perth listened to the concerns that I was bringing to RWWA. Jim and I had a meeting with the top people at RWWA and we eventually sorted it out. I am extremely disappointed with RWWA. I will not say too much because RWWA has the right to take away the licence again, and that has always been over our heads, so we have to be very careful about what we say. I was extremely disappointed with RWWA's behaviour. Allegations were made. Investigators came down to Albany. They did not ask questions of the people who made the allegations; they questioned the people whom the allegations were made against. Never once did they ask the people who made the allegations, which to me was back to front. I am extremely disappointed with RWWA's behaviour. Eventually, it came out well and the club had a very good year this year. It got everything back on track. It fixed up a lot of discrepancies. Some things have still not been sorted out. No-one seems to be interested in going backwards—that is, no-one from RWWA, the police or the Department of Commerce. They all say that we should go forward. In a normal situation, I would think there would be police involvement in some of the things that occurred but it did not happen. At least the trotting club is back on track. Congratulations to Jim. He got it up and running. He is now retired as the president. He will be very hard to follow. Jim is a lawyer. We had a meeting with RWWA and it got pretty heated. Old Jim did not take a backward step. Congratulations to Jim and all the committee and everyone who had the best interests of racing and trotting at heart but, by gee, it was hard work.

It was great to have the Leader of the Opposition in Albany for Anzac Day. It was great to have an ex-serviceman laying a wreath with me on Anzac Day. Once again, the dawn service was fantastic. If anyone here has never been to a dawn service in Albany, they should get down there. It is one of the most moving services in the world. I have been to Gallipoli and Peronne in France for Anzac Day. By far, the service in Albany is the best.

It is great to see the aquaculture plans announced by the Minister for Fisheries, which will be great for Albany. We have perfect opportunities for aquaculture in Albany. It is great to see that the government has invested some money in that industry. We have some great people working hard. The guys came down from Perth and explained it all. It has worked out really well.

We are concerned about no affordable housing being built in Albany yet again. I think we have 48 to 50 houses but no maintenance has been carried out on them. The inspectors come out and say that this, this and this is needed. When we ask when it will happen, they say that no money is available. It is very disappointing. We need to look after the houses. The government has knocked down houses all over Spencer Park. There are vacant blocks. People come to see me and say they are sleeping in their cars, sleeping in their neighbours' houses or sleeping in the street. They ask why they cannot get into those houses. I ring the Department of Housing and it says it does not have any money to fix them. I looked in the budget. There is no extra money. These people will suffer for a long time.

I would like to congratulate the government for the infrastructure that has been built at The Gap; it is tremendous. People go down there and walk out over The Gap. If they are lucky enough, a big wave will come up when they least expect it and absolutely drench them. When we were there for the opening of the facilities, people were down on the rocks. We now have perfect facilities there and we get these wallies who want to take a photo side on. The next thing we know, a wave comes up. As I have said in this place before, people do not realise what a king wave is. They just think that the waves will come nearby. King waves come up behind people. We can get waves that come up fairly high and we are okay, but if people are standing on the rocks and a king wave comes up, it hits the rocks and comes rushing down and they do not even see it coming. We lost another young person at Salmon Holes. Both governments have done everything they can. Signs have been put up in different languages to show how many people have died at The Gap. Everyone says it should be fenced off. If we fence it off, they will still climb over it. I was there on the day the unfortunate person fell off the rocks. I would not have walked along the beach that day because the waves were coming right up the beach. There was hardly anywhere to walk. These people go off on this rock. I do not know whether anyone in the chamber has seen this rock. This rock is steep.

Mr C.J. Barnett: A slide.

Mr P.B. WATSON: Yes, it is like a slide. People say they want to go on the slippery dip, so they stand out on the rock and see the waves come in. People say they can tie themselves to the rock. The government has put

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pylons there. If a rope is tied around the pylons, most people just tie a normal knot. If that wave hits them, they have no chance. The only way people have a chance is not to go there. They should not even go there on a calm day because the king waves can come on a calm day. I have seen them. I have been out fishing myself. People catch fish off the beach. I think people fishing on the beach that day packed up and went home because the waves were crashing on the beach. There is much more to life than catching a fish. Friends have gone off The Gap and Salmon Holes. People say to me that governments should be doing something. We cannot give people commonsense. We cannot say that they do not read the signs, because they are in different languages. We cannot fence it off because people will climb it. It is a natural thing. All we can do is what the government is doing now; just say that it is dangerous and advise people not to go there. Every year people ask whether we have lost someone at The Gap this year. No, but a week or two later, we do. We do not want it to happen. The government cannot do anything about it.

I am the chairman of Great Southern Regional Football. When the footy goes to the new stadium, we are worried about regional footy, which is grassroots football. We are concerned about the \$15 million a year we currently receive. We have cuts in the regions every year. We are not getting more money and we are really concerned. I know there are talks going on but the opening of the new stadium is getting pretty close and a lot of people have football at heart. They want to see football going well in the regions. We can look at the draft camps and everything like that. Two young boys from Albany are now playing AFL football—Jeremy and Mitch McGovern. They played their junior football in Albany. Tarkin Lockyer played his junior footy in Albany. There have been a lot of footballers—the Krakouer boys, for example, although they were selected before the drafting occurred. We have to do something about it. They are our grassroots. If we lose that base, we are in real trouble because grassroots footy is where it all starts. Without that base, the whole pyramid will fall.

As I say, I am very disappointed with the budget and the \$41 billion debt. I do not mind going into debt as long as the people who really need it—seniors, families and young people—benefit from it, and I do not think they will.

DR A.D. BUTI (Armadale) [7.30 pm]: I also rise to contribute to the debate on the Appropriation (Recurrent 2016–17) Bill 2016 and Appropriation (Capital 2016–17) Bill 2016 handed down last week. I firstly want to address a few areas I have expressed disappointment in regarding my local community, and then I will talk about some other areas. Armadale–Kelmscott Memorial Hospital services a very large part of the south east metropolitan area. The next public hospital is Bentley Hospital, then Royal Perth Hospital. Fiona Stanley Hospital is to the west of Armadale. Armadale hospital capacity is bursting without an appropriate number of beds or personnel, and is in dire need of infrastructure investment. The government has had funding in the forward estimates for some time to enable upgrading and further development of Armadale hospital, but I notice that in this budget it has been put back to 2018–19. That is very disappointing because although, overall, the staff at Armadale hospital are very good and do their best, they are understaffed and under-resourced, and on many occasions there are just not enough beds to cater for the large, expanding population that Armadale hospital services.

The Minister for Transport has left the chamber. I am very disappointed that he has refused to meet me at the Denny Avenue intersection in Kelmscott, but was at the beck and call of Andrew Hastie, the Liberal Party candidate for Canning, in the recent by-election. He would not meet the previous local federal member Don Randall or me to discuss our concerns, but was prepared to share a photo opportunity with the Liberal candidate for the Canning by-election. He has refused to commit to the necessary railway crossing separation that has been on the books for some time. Interestingly, today I attended an announcement by the federal Labor opposition infrastructure spokesperson, Anthony Albanese, at the corner of Solomon Street and Armadale Road about the Armadale dual carriageway and the Kwinana bridge. In its budget the state government committed a pitiful \$20 million towards dualling Armadale Road, but without a commitment for the bridge it will take congestion to nowhere. What will happen when drivers get to the end of the dual carriageway? People will enjoy a beautiful drive on the dual carriageway and then come to a dead end, because without the bridge, the problem of congestion for those in the south east corridor travelling west and onto the freeway will remain. As a result of the problem on Armadale Road, many people take other routes such as Ranford Road, South Street, Nicholson Road et cetera.

Mr J.M. Francis: All in my electorate.

Dr A.D. BUTI: Yes, in the Minister for Corrective Services' electorate. Those people are severely affected. It is necessary for the federal government to recommit to the commitment it made during the last Canning by-election and build the bridge. The federal Labor opposition has committed —

Mr J.M. Francis: Watch this space. I think they committed to 50 per cent of it.

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Dr A.D. BUTI: I hope so, but it also needs state commitment.

Mr J.M. Francis interjected.

Dr A.D. BUTI: The point is that the government handed down a budget last week and all we got was \$20 million, and that was not for the bridge.

Mr J.M. Francis interjected.

Dr A.D. BUTI: One of the most important pieces of infrastructure investments the government should have committed to is the Kwinana bridge, and it did not. Maybe in a couple of months when the minister becomes Premier, given he is a member down that way and understands the problems, hopefully, he will see the need for a commitment by both parties to build the Kwinana bridge. Hopefully, the federal government will also commit to that.

The member for Albany mentioned the seniors' grants scheme. This afternoon I received an email from a local member of the bowling club in my electorate who was upset that the grants scheme in the metropolitan area has been quarantined to Belmont to help the member for Belmont win her seat and down Kwinana way. I am sure that both her constituents and those in Kwinana deserve it, but we could all argue that our constituents deserve it, so of course I am disappointed for the Armadale residents. In the budget \$1.7 million is allocated over 2016–18 for just the design concept of Armadale Courthouse and police station. Really! We have been talking about this for ages. I remember when Hon Christian Porter was Attorney General and Treasurer, and the commitment that in the metropolitan area Armadale Courthouse was a major priority for upgrade. It is completely outdated and cannot cope with the demand. The City of Armadale council is very willing to assist with land transfer. We should just get on and build Armadale Courthouse and police complex. Of course we need a 24/7 police station. Labor is the only party that has committed to that.

With regard to policing in Armadale, I get rather annoyed because day in, day out the Minister for Police and the Commissioner of Police say that everything is under control. I was speaking to a rather senior police officer in my electorate who said that everything is fine in Armadale; they have it all under control. Then I went to a meeting with local traders in the Jull Street mall where the traders were saying, "Wouldn't it be nice if we could have a police officer on the beat walking around the Armadale CBD." The police officer, who immediately before had said they had everything under control, were coping and had no problems, said, "I'm sorry; I just don't have enough police because they're spending so much time dealing with violence restraining orders and domestic violence problems in the Armadale region." Things are not okay. There are definitely not enough police in Armadale. That is why I get annoyed at the political speak from the minister and the police commissioner, and it seems that some of the police officers have to repeat the words of their masters. When put to the test the police officer admitted that they were not able to cope with the demand for their services in the Armadale region and domestic violence was at the forefront of that. That brings me to page 9 of an article in *The Examiner* of 17 March, the local newspaper.

[Member's time extended.]

Dr A.D. BUTI: Under the headline "Ministers pass the buck on DV" it reads —

Police Minister Liza Harvey would not answer questions about domestic violence because Child Protection Minister Helen Morton is 'the main minister' according to a State Government spokesman.

Questions about the rate of domestic violence and what actions police are taking to reduce it were put to Ms Harvey this month following reports from police that domestic violence had increased by 43 per cent in January compared to the same time last year.

It was the highest offence increase, with the next being motor vehicle theft at 28 per cent.

I am glad the new Minister for Child Protection is in the house because I am sure she will be interested in the exchange here. The article continues —

Ms Harvey did not respond to the questions but her spokesman said police 'simply responded to domestic violence and were limited' in what they could do in the area so initiatives in the Child Protection portfolio attempted to address the problem.

The same questions were then put to Ms Morton, who ... did not respond.

Her spokeswoman said the questions related to police statistics and initiatives and would need to be referred to Ms Harvey's office.

Talk about passing the buck. It continues —

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Both spokespeople provided background about what policies and initiatives had been enacted by their respective portfolios.

Let us understand this. The Minister for Police does not believe that it is her responsibility to respond to questions about how police deal with domestic violence issues. Then when this question was put to the then Minister for Child Protection, she rightfully responded by saying that the questions relate to police statistics so the questions would have to be referred to the Minister for Police.

It is interesting that this government has decided that the minister who should take main responsibility for the whole issue of domestic violence is the Minister for Child Protection. That is another thing that she has to take on. Obviously, children are often involved in domestic violence situations, but there are times when children are not involved. What happens then? What jurisdiction does the Minister for Child Protection have in domestic violence when no children are involved? I do not understand. If she was the minister for domestic violence, I would understand, but she is not. She is the Minister for Child Protection and, of course, she has a very important role to play. For this government to say that domestic violence is in the child protection portfolio and the police are not involved is absolutely silly, and it shows the lack of commitment that this government has to the issue of domestic violence.

As we know, the opposition introduced legislation last week in response to domestic violence. What response did we get from the Attorney General? As reported in WAtoday —

WA government accuses opposition of ‘copying’ domestic violence Bill

If the government thinks that we copied the bill, of course it will support it when we debate it. But that could also not be further from the truth. The Attorney General referred to a consultation paper, and I am embarrassed to say that I had not read that consultation paper. I thought that I was up to date with most things in the domestic violence field, but I had not read this consultation paper. I have been doing a bit of research to find this consultation paper. I have now found it and I have a copy—so much for the consultation paper. The government did a consultation paper and I will stand corrected—minister, please correct me if I am wrong on this—but I do not think it was widely distributed and maybe that is why I did not see it. I may be wrong.

A document called “Freedom from Fear: Working towards the elimination of family and domestic violence in Western Australia: Action Plan 2015” was released by the Department for Child Protection and Family Support, but that does not look anything like the bill that we presented; we would not expect it to because it does not really refer to legislation that much. I presume the Attorney General was referring to the drafting options paper on the government introducing changes to the Restraining Orders Act 1997, which was to form a key part of the government’s response to the Law Reform Commission report “Enhancing Family and Domestic Violence Laws: Final Report”, which was released in June 2014. Understand this, members: in June 2014 the Law Reform Commission handed down the final report, yet we still have not seen the legislation. That is amazing. Even with the resources of government we have not seen the so-called amendments to the Restraining Orders Act that the government says is a major part of its response to the Law Reform Commission inquiry and report into family and domestic violence.

During the last election the then Minister for Corrective Services, the member for Murray–Wellington, promised that certain serious offenders who breached restraining orders would be tracked by GPS. It has been three years since then. I think this question came up a number of times. The current Minister for Corrective Services, the soon-to-be Premier, said that that legislation was being drafted. I do not want to verbal the Minister for Corrective Services; he may not have said that legislation was being drafted, but he said words to the effect that it is complex legislation and it will be ready soon. That was over a year ago. It is part of the Minister for Corrective Services’ responsibility, but it is not only his responsibility; it is also the Attorney General’s responsibility. In the last election we were promised that the government would introduce GPS tracking, which was an idea from the Labor Party in any case, but where is it? We have had nothing on that avenue.

We have not seen the colour of the legislation responding to the Law Reform Commission report. In the seven and a half years of the Barnett government—I stand to be corrected—there have been one or maybe two legislative responses to domestic and family violence. That was when Hon Christian Porter was Attorney General and he brought in discretion for the judiciary to increase penalties for offenders with three breaches of violence restraining orders, which was good legislation. But that has been it.

The Deputy Premier showed great loyalty to the Premier on the weekend by saying she may have to consider her position if there is a leadership spill. Good God, where is her loyalty to the Premier, who has done so much for her? The only reason that Liza Harvey is Deputy Premier and sits to the right of the Premier is because of his support. We know and the Liberal backbenchers know that she is not up to it. What does she bring? What is her most important law and order issue? It is vandalism.

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Ms S.F. McGurk: Graffiti.

Dr A.D. BUTI: I mean graffiti; I thank the member. Graffiti is the main law and order issue, so we had to bring in urgent graffiti legislation. Do not forget about the number of women who have been subjected to domestic violence. Do not forget that in Australia, two women a week are killed because of domestic violence. That is not important legislation. We do not have to hurry up on that avenue, but we have to hurry with graffiti because that is really, really damaging people. Graffiti is not very nice, I admit, but I do not think the issue is that urgent. I do not think it is as urgent as committing to the promise made in the last election for GPS tracking. I do not think it is as important as bringing in comprehensive legislation to respond to the Law Reform Commission report. We had a pathetic response from the Minister for Police. Granted, at least under the former Minister for Child Protection we had this Law Reform Commission report. At least this “Freedom from Fear” report is something, although it is not a lot. I have confidence in the current Minister for Child Protection to try to develop this further, but we cannot quarantine family domestic violence to the child protection portfolio. Children are not always involved. Unless we are to make the Minister for Child Protection the minister for family and domestic violence, it is not her responsibility.

The response by the Attorney General that we copied the government’s consultation paper is pathetic. If we accept that we did—although we did not because we did not see the paper—no doubt he will take the opposition’s legislation to the party room and support our bill when we debate it, because we copied it. He thinks we copied what he said, so surely he will have to agree with what we put forward, which was read into Parliament by the Leader of the Opposition last week.

I want to move on to another area. The current Minister for Child Protection is also very interested in the issue of foster care and adoption, and I think in some respects we probably agree. I want to let members know about some figures on this topic. In Western Australia, there are 16 substantiated cases a day of child abuse or neglect. Out-of-home care is when children are removed from the family home and catered for outside the home, whether by foster parents, in residential care, or through kinship by a family member. The majority of children in out-of-home care are Aboriginal; 52 per cent of children who are in out-of-home care are Indigenous. Over the past year the number of Aboriginal children in out-of-home care has increased from 2 144 to 2 338, which is nine per cent growth, and for non-Aboriginal children the increase has been 3.4 per cent.

In Western Australia, in 2000–01 there were 1 436 children in out-of-home care. In 2014–15, 15 years later, there were 4 237 children in out-of-home care. Over the past decade, the proportion of Aboriginal children in care has more than doubled. It has increased from 28 children per 1 000 in 2005–06, to 65 children per 100 in 2014–15. The increase in the number of children in out-of-home care has led to a 150 per cent increase in out-of-home care recurrent funding in Western Australia. The funding has increased from \$97 million per annum in 2005–06, to \$246 million per annum in 2014–15. The figure is probably even higher now.

I do not know whether the new Minister for Child Protection, Hon Andrea Mitchell, has any answers to this, but I have found from my research that in Western Australia it seems to take a lot longer to investigate issues with regard to removing a child from their family. It is interesting that nationally, the average length of time to complete an investigation is 36 days, and in Western Australia it is 72 days. I do not know why that is the case, but of course there must be some reason.

Recently, the Minister for Child Protection released a report titled “Building a Better Future: Out-of-Home Care Reform in Western Australia”. That report outlined the government’s proposals with regard to child protection. I think in that report the minister is championing for foster care to be made more permanent. One of the problems is that a child may be moved from one foster family to another and to another, so there is no stability for the child. This struck me when a student from Notre Dame University did an internship at my office. She told me that her mother had been removed from her mother when she was a young child. Her mother had gone through 15 foster families in the space of about 10 years, and that caused her to crave some stability. This is a very difficult area. Initially we should provide the necessary resources to support families and ensure that they are able to provide proper care and protection to their children. We certainly need to increase the resource allocation for that area. However, unfortunately sometimes parents are not capable of looking after their children. The Department for Child Protection and Family Support, and therefore the state, then has an obligation, obviously, to look at removing those children from harm’s way.

This is a bit of a controversial issue and it is difficult to speak about it. In a previous occupation I was a lawyer at the Aboriginal Legal Service. During my time there I had the privilege of running the stolen generations project. One of the people who I interviewed for that project was Rob Riley, who was my boss at the time. Only last week, on 1 May, the member for Victoria Park spoke at the annual Rob Riley Memorial Lecture. As usual, he presented a fantastic lecture, and spoke about Rob’s life. I remember the afternoon of 1 May 1996. I was walking along the corridors of the Aboriginal Legal Service, heading back to my office, when one of my colleagues

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rushed out of her office, visibly upset, and said that Rob had committed suicide. Rob was a great Aboriginal activist and leader. He had booked into the Bentley Motel on Albany Highway the night before and had hung himself on the shower fixture in the room. He was only 41 years of age at the time. Rob Riley, who was one of the greatest Aboriginal leaders this nation has ever seen, committed suicide at the age of 41. Of course every time I go past the Bentley Motel I think about that. I was stunned by that news, obviously, and I walked into my office, closed the door behind me and sat in silence reflecting on the overwhelming sadness and despair that had driven Rob to take his life.

I also thought about Rob's family and about early 1995 when I had interviewed Rob about the tragic events of his childhood that had shaped his life and brought about his premature end. I was rather nervous to be interviewing my boss about such a delicate issue as the stolen generations. He told me that was the first time he had told anyone about the sexual abuse he had suffered at Sister Kate's Children's Cottage Home. He also told me about the time he had been punished for asking questions about his parents. He was told that his parents had died when in fact they had not, and he was reunited with his mother when he was 12-and-a-half years of age. In that context, I understand how damaging it can be to remove a child from their family.

However, unfortunately, there are cases in which we need to remove a child from their family. Some people will argue that that will create another stolen generation. It is not actually the same situation. The tragedy of the stolen generations was that children were removed because they were Aboriginal. It was irrelevant whether they were in a harmful situation; the fact was that the legislation allowed children to be removed if they were Aboriginal. I am not advocating that. I am saying that we should provide as much support as possible to the family, and, in the end, if the parents are unable to look after the child and the child remains in harm's way, we should remove that child from the family. However, what should we do once we remove that child from their family? There should be a period of time in which intensive support is given to the parents and to the child, and we should of course be aiming for reunification. However, there may come a time when we need to stop that. What should we do then? I am advocating for the greater use of open adoption. Open adoption is basically a situation in which a person becomes the legal guardian of the child—basically, their parent—but the biological parents remain involved with the child as much as possible. That provides stability for the child. It also enables the legal guardian to feel they are looking after the child in a proper family situation, but without ostracising the biological family. One of the tragedies of the stolen generations was that the parents were unable to communicate with their children.

I am advocating that parents need to be given more support. We need to increase the amount of support that we provide. We are currently spending over \$246 million per annum on out-of-home care. We could probably halve that funding and still provide fantastic support for families, hopefully for reunification. However, there comes a time when we cannot keep flogging a dead horse. The best interests of the child must come first. I have children in my electorate who are living in incredibly dysfunctional situations. They are not attending school, and, if they are not attending school, what hope do they have? For a number of decades, the issue of adoption rather than out-of-home care has been taboo in our society. I am advocating open adoption, as I have said, because it enables a connection to the biological family. I believe that provides the best possibility for children who, unfortunately, are in a situation in which their parents cannot look after them.

MR P. PAPALIA (Warnbro) [8.00 pm]: I have been sitting listening to the member for Armadale and his fine suggestion about a terrible situation in Western Australia and contemplating what theme I will pursue in my budget-in-reply contribution. I have come to the conclusion that the best way to commence my contribution is to refer to the Leader of the Opposition's observations about this budget. The budget has been referred to by a number of other members on this side of the house and I think over time it will become appended to the historical records of this time in Western Australian politics. For the first time in 108 years of the state of Western Australia, the state has accumulated, in the very short eight years of the Barnett Liberal–National government, a total net debt \$3.69 billion. The blame is with not only the member for Cottesloe, but also all the participants in the government. They are just as responsible for enabling it to occur; they were enablers. Barnett was addicted to debt and they were the enablers. Such is the accumulated debt and damage to the economy of Western Australia that this year the government has delivered a deficit that exceeds the total debt built up over an entire 108 years. That fact will be chiselled on the gravestone of this government and will forever be its legacy. Every single individual who has served in the Liberal–National government during this period will forever be held responsible for that extraordinary feat and the devastating impact that they imposed on the state budget. The Western Australian economy went through the biggest single boom in the history of Western Australia and probably in the history of all the states in the country—if not the biggest anywhere in the world—and came out of it without a surplus, without a wealth of opportunity and without a capacity to respond to harder times. There is nothing but absolute devastation and a burden of debt for every single man, woman and child in Western Australia that exceeds the debt of any other jurisdiction in the country, including the federal

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jurisdiction. That should be their legacy; they have grown debt and damaged the economy by an extraordinary amount. But they have grown other things and many of these things are contributors to the cost that we are now confronting.

The Treasurer's speech was very poorly crafted and is probably the worst budget speech I have heard in my almost 10 years of sitting in this place. It reads poorly and clearly it was cobbled together over a period during which the government's position on assets sales changed dramatically.

Mr J.R. Quigley: It cost a prince's ransom to have it written for them.

Mr P. PAPALIA: That is right. It was written for the government by the incredibly expensive consultant from St Georges Terrace, Mr Robert Taylor. Good on him; he saw this government coming a mile away! He managed to convince it to part with taxpayers dollars in an extraordinarily efficient fashion. He did that very well, but what he has not done well this time is write a very good speech. I do blame him, because in the course of drafting the speech, the poodles from the country got cold feet. They did so in the middle of the time in which they had already sold out undoubtedly by their behaviour, which was undoubtedly confirmed by the nature of their cobbled together justification for not really having a plan. As stated by the Leader of the Opposition during the matter of public interest, to develop a plan that is subject to three conditions after the election—which is the nature of the debate and the nature of the promise and commitment to the people of Western Australia in the ridiculous speech presented by the Treasurer—makes it clear that the Nationals had already sold out. But then the ReachTEL poll hit the newspapers. The ReachTEL poll was not only an emphatic endorsement of the member for Rockingham as the Leader of the Opposition—and, with any luck on behalf of the people of Western Australia, the next Premier—and an endorsement of the opposition as the alternative government, but also it asked questions about the privatisation of assets. The response from the people of Western Australia right across the state was emphatic—a 60-plus per cent rejection of the government's notion to sell off revenue producing assets to get a very short return of capital, which would not even make a dent in the enormous debt that has been accumulated by this appalling government, and then the state would be confronted with decades of further payments of that debt in the absence of the revenue producing assets. Revenue-producing assets put a cap on prices—particularly Fremantle port and Western Power—because they dominate the market. Prices are restrained if the asset is in public hands, but they are not restrained if the asset belongs to the private sector, and people know that. People know that private operators do not buy things to make a loss or to contribute to a charity. They do not purchase assets to make a donation to the Western Australian public; they do not care about that. They are rightly responsible and beholden to their shareholders and their entire focus is on improving and increasing profits, and that is as it should be. What is not as it should be is that the government of Western Australia is not acting on behalf of its shareholders, the people who vote them into office and who pay taxes and want services in return. This government has failed dismally in that responsibility.

It is appalling that today the Treasurer forecast that the government will squander precious taxpayer dollars—no doubt tens of millions of taxpayer dollars—on a blatant political sales pitch to try to convince the 60-plus per cent of people in Western Australia who outright oppose privatisation that they should endorse and embrace the sale of Western Power. That is wrong. It is a corrupt practice. Clearly, it is at least a corruption of the political process. It is outrageous that the Treasurer of Western Australia stood in this chamber and barefaced told the people of Western Australia that he would not waste money—at a time when the government is sacking doctors and nurses; when people in the Quadriplegic Centre cannot get a hot shower and the government is spending \$500 000 on yet another assessment of whether to upgrade the quad centre; when it has sacked 450 education assistants across the state; when crime is out of control; when schools across the state are confronted with cuts to their budgets; and when we desperately need better education for our children, because it is getting worse. At that time, the worst Treasurer in the history of any state in the nation stood in this place and said that he is quite happy to spend tens of millions of dollars on an advertising campaign purely for the political purpose of trying to change people's minds about privatisation. I have news for him; I do not think the people of Western Australia are as stupid as he gives them credit; they are much more intelligent than that. This will go the way of the WorkChoices advertising campaign that John Howard ran in the dying days of his government when he spent tens of millions of dollars trying to convince the workers of Australia that they would be far better off with WorkChoices and that they should abandon any fight. We saw how that ended. I think the same will occur here. It would be wonderful if the member for Cottesloe lost his seat, but I do not think he will survive long enough to defend his seat. It is pretty clear that the sharks are circling to see who will get preselection for the seat of Cottesloe. People are throwing their hats in the ring by virtue of some of their public statements in favour of the government. Not too many people are making positive comments about the government, but there are some. I will not go any further on that. Ultimately, the Liberal–National government will be held to account. Every single member of the Liberal–National government opposite will be held to account for the failure and inability of cabinet to rein in the profligacy of the member for Cottesloe. I wonder what ministers in this government do, because they clearly do not debate anything in cabinet. Most of them cannot speak without authority from the

Dr Mike Nahan; Mr Roger Cook; Mr Ben Wyatt; Mr Bill Johnston; Acting Speaker; Mr Peter Watson; Dr Tony Buti; Mr Paul Papalia; Ms Simone McGurk; Mr Fran Logan; Mr Dave Kelly; Mr Peter Tinley

Premier. We see in every single question time that a large percentage of cabinet—easily more than half and probably two-thirds—cannot answer a question without first looking towards the Premier for guidance. In the case of the Ministers for Transport and Police, they are incapable of even speaking—their mouths do not move—unless they get a nod from the Premier as to whether they are pursuing the right line. Some ministers sit next to other ministers who give them their lines passed on from the Premier. It is extraordinary. This is confirmed every single day. It is not just opposition members who can see this; anyone can watch it on the parliamentary broadcast. I know it does not have a big rating, but I urge any constituent of the Liberal–National government who thought they had voted for someone capable of performing their role to watch question time, because when the opposition poses a question to any of the ministers—not the dorothy dixers from government members—they can see how ministers are incapable of speaking without first checking visually with the Premier. It is embarrassing to see. It is embarrassing to hear the whispered advice passed to the back of the chamber from the front row. It is extraordinary and embarrassing to watch, and it is very disappointing.

I want to focus in my contribution tonight on some of the shadow portfolios I hold and to reflect a little on the impact on those portfolios from this appalling budget. The coverage of the budget was good. The message that resonated was very accurate, very concise and easy for people to understand and could be summed up in a very short phrase—worst budget in history! We are getting that message fed back to us as we walk around the electorates meeting people from all walks of life and from any profession. People in the parents and citizens associations are saying it to me. They know the message about this budget. They did not have to know much more; all they had to know from what they had heard and retained was: worst budget in history. The natural conclusion following the worst budget in history is that this is the worst government in history, because the Liberal–National government delivered that budget to Western Australians. They will remember that. It will not be hard for the opposition to ply that line and to reinforce that message that everyone in government opposite, including their National Party lapdogs, should be aware that “worst government in history” is the message that will resonate with everyone in Western Australia.

I have a number of shadow portfolios, but firstly I will talk about one that is costing us a lot of money. This is the only portfolio and the only ministerial responsibility in the state that can blow its budget every single year of the entire Barnett government on average by about 8.5 per cent, but this year by 9.8 per cent, and still get more money thrown at it. Corrective Services fails dismally and has done so every single year under the Barnett government. This is acknowledged quite clearly in the Treasurer’s speech in which he outlines the increase in expenditure. Under this government, expenditure on Corrective Services has grown by 65 per cent, which includes almost a \$1 billion being spent in 2016–17. The Treasurer stated that as though that was something to be proud of! Recurrent expenditure on Corrective Services of \$1 billion when year on year crime is increasing, and by double digits has increased every month for nine months, is confirmation of failure. The Barnett government has failed to protect the people of Western Australia. It has surrendered to the criminals. Western Australians are under more threat under this government than at any time in history, yet, at the same time, the government is spending \$1 billion on a failed system that is churning out more criminals than it is changing.

All the research demonstrates that prisons overwhelmed by numbers are incapable of changing behaviour for the better; in fact, they become crime universities. This state has the best crime universities on the planet. Thanks to the Barnett government, minor criminals in their thousands are entering our prison system for short periods; they are receiving no rehabilitation programs and no intervention and are being introduced to their next drug dealer, to bikie gangs and to serious lifelong criminals, and they are subsequently graduating, as they leave the doors, as serious lifetime criminals themselves. This government is turning minor offenders into serious lifetime offenders who cost us \$1 billion a year. Congratulations to the Barnett government, which is the worst performer in the nation on changing criminal behaviour and the worst at defending the people of this state against criminals; in fact, the Barnett government has surrendered to the extent that every single year it pours more money into its crime universities and it creates more criminals. It is an extraordinary thing. I notice that the amount of information on Corrective Services in the Treasurer’s speech diminishes every year.

[Member’s time extended.]

Mr P. PAPALIA: This year Corrective Services is allocated a couple of lines in the budget speech. The Treasurer refers to growth in expenditure, but there is no discussion about growth in the prison muster. It is good that the Minister for Corrective Services is in the chamber because he can prepare the Commissioner of Corrective Services and let him know in advance that I am very interested, in the estimates, to get an update on the observation he made during estimates last year that essentially the prison system is in crisis. He said it was necessary and essential that a new metropolitan prison open in Western Australia within three years of last year. I note that since the commissioner made that observation, at which time the prison muster had escalated by an enormous amount, both the minister and the commissioner have been incapable of saying why. Since then, the

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rate of growth has escalated even further and the graph is even more vertical. I am very interested to hear from the commissioner—I do not want any fluff about how he is managing the system better—why last year the commissioner said it was critical for a new prison to open within three years and why, this year, for the third year in a row, the growth in prison muster has been recognised in budget paper No 3 as a threat to the budget, yet we still have no forward estimate funding for a new prison. How on earth is the government going to control the crisis of overpopulation within our current prisons? How on earth does it think the massive overcrowding being imposed on our prison system is not making matters worse, and where is this rate of return of 40 per cent coming from?

I note there has been very little in the way of statistics and statistical analysis released by the department in probably the last eight months, and I want to know why. I want to know what is being hidden from the public and why we are no longer easily able to access regular—I mean weekly at least—muster information on all the prisons in the prison system. What work is being done to determine why the prison muster growth is growing so vertically, yet claims are being made on a regular basis by the minister, and the commissioner on occasion, that the recidivism rate is down? It does not make sense. If recidivism rates are down, why is the prison muster 6 139, or whatever it is today? Why have we got a massive growth rate in the prison muster? The two cannot be correct.

Mr J.M. Francis: All remand!

Mr P. PAPALIA: That is the point: people on remand have been charged with something! Why have so many people been charged with something? Why are 40 per cent of people in the state's maximum security prison—Casuarina Prison—on remand? Why are there so many minimum security prisoners in Casuarina?

Mr J.M. Francis: Twenty per cent over the prison population is on remand, so it's gone from 17 per cent.

Mr P. PAPALIA: I am talking about Casuarina Prison right now. Why has Casuarina, the maximum security prison—the state's highest security prison—become the overflow for Hakea remand prison. I want to know what is being done to determine just how much damage the government is doing to this whole system through its overcrowding. I found it laughable that in the budget papers reference is made to the Premier's efforts to reduce Aboriginal incarceration. Seriously, the government has to do more than just talk about these things. It is appalling that since Ms Dhu died and since the Premier, in, I believe a genuine way, met with her mother and grandmother on the steps of Parliament and made that commitment that he would do something about it, the number of Aboriginal people in prison has grown, and continues to grow. The percentage of Aboriginal people in prison remains —

Mr J.M. Francis interjected.

Mr P. PAPALIA: What is it then?

Mr J.M. Francis: I think it has gone down by a couple of per cent.

Mr P. PAPALIA: Why is that not in the budget papers? There is nothing in there about Aboriginal people other than the puffery in the paragraph about the Premier's efforts. Those sorts of things should be reported; they should be reported in a transparent fashion. If the disproportionate representation of Aboriginal people in prison has gone down, I would be very interested to find out whereabouts it has gone down—whether it is in the total population of our prisons or whether it is just in the sentenced and incarcerated prisoner population. I would expect that information to be available. I read in the budget papers that, consistent with the Premier's commitment to address the overrepresentation of Aboriginal people in the justice system and deaths in custody, mention should be made of the Aboriginal visitors scheme. The Aboriginal visitors scheme was cut and all the government is doing is putting a little bit more money back into it. The government cut it, and then put some money back into it because it was a bad idea to cut it in the first place. That is the only thing in the budget papers that refers to the attempts by the Premier to reduce Aboriginal incarceration. There is actually no real activity. I might see whether the minister can respond to me by way of interjection.

I have another concern, with notice to the commissioner in advance. The much-trumpeted investment utilising royalties for regions money in the Kimberley and in the Pilbara for youth justice intervention has been withdrawn—cut.

Mr J.M. Francis interjected.

Mr P. PAPALIA: Okay; it disappears in year 2 of the out years, so it is not being cut. If something is not cut, the money is put in the forward estimates. I would like to know something about that money. I have heard some observations by the Minister for Corrective Services in response to people asking about the Yiriman Project, in particular, and other initiatives in the Kimberley. I have heard suggestions, which the minister was obviously given by the department, that those programs have not achieved what it was hoped they would achieve or they

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were not providing the outcomes aimed for or the objectives of the initial funding. I am fearful that there was not a proper benchmarking at the outset of these activities; there was not a benchmarking of the environment to determine what the baseline situation is; and there has not been an independent, objective analysis of those programs and the outcomes. Consequently, when the government gets to the point of cutting royalties for regions funding for these types of programs in the Kimberley and the Pilbara, it will be able to justify that cut on the grounds that they did not achieve the outcomes. An in-house observation in the absence of any benchmarking at the outset would be able to make that claim. It may well be that they have not achieved what they were intended to achieve, but I am very concerned that all the public commentary at the time of the announcement was good. It responded to the calls by the Aboriginal people of the Kimberley in particular, but also in the Pilbara and other regional areas, asking for their involvement in crafting a solution to the problem of juvenile offending, and that was commendable.

Mr J.M. Francis interjected.

Mr P. PAPALIA: I know. I am going to run out of time anyway.

That was commendable. I will talk about it. I give the minister advance notice; we will talk about it in estimates. I am concerned that this might turn out to be a withdrawal of funding because royalties for regions funding will be shifted down to the wheatbelt or somewhere so that someone else can get a nice looking park or whatever the money is spent on. I would be very concerned about that in light of all the claims made at the initial announcement of the funding for those programs. The language used and employed at the time was correct. It was the right thing to do to empower the Aboriginal people in those remote committees in particular to participate in crafting a solution. It needed funding, but it needed an evidence-based response. It should not be done by gut feeling or by the picking of winners by whoever gets to determine the allocation of the funding; it should probably be done in an academic fashion, remote from those people participating in the day-to-day and departmental operations. With respect to corrective services, I am very disappointed that the prison population continues to grow and in this state we continue to grow more and more criminals. Society is getting less and less safe under the Barnett government. That is clear. It has created crime universities and they are doing very well at pumping out career criminals at a great cost to the state.

I want to talk about the other shadow portfolios that I hold. We have one called defence issues. I am bitterly disappointed that the government has failed to embrace the need for a minister to represent this sector and advocate for it. I laughed when I heard the Treasurer say that we should become whingers like South Australians—I think he called them rent seekers. Actually, they are good lobbyists and advocates. They work as a team on behalf of the industry of South Australia and they get results. Conversely, in Western Australia we have an Attorney General who does not even know the front end from the back end of a naval warship. We have him discovering a company like Civmec a couple of months ago. We had \$90 billion worth of ship and submarine building contracts announced by the federal Liberal government within a week, and Western Australia received 0.55 per cent of that allocation—extraordinary. Anyone who believes the ridiculous assertion that the federal government will start building offshore patrol vessels in South Australia in 2018, and then in 2020 or sometime after the next federal election will move that activity, which by that time would have been going for many years, to another state in which there are fewer marginal seats—anyone who believes that rubbish—is occupying a prime position on cloud nine, because it is just not true; it is not going to happen. I would be very, very sceptical of anyone making the claim that we have got any more than the \$500 million that was allocated to Austal to build the Pacific patrol boats. It was a dismal outcome, notwithstanding efforts by the Chamber of Commerce and Industry of Western Australia. It tried hard. I commend Senator Reynolds. She is a lone voice in the wilderness on behalf of the Western Australian Liberal Party. Everyone else in Western Australia, as the Treasurer identified, sees South Australians as rent seekers and sees their team effort and their focus on getting a share for their state's industry as rent seeking; they see that as a pointless exercise. No wonder we do not get anything. No wonder the federal Liberals treat us like second-raters and think that they can get away with coming over here and appearing on television down at Austal and that that will get them votes. Maybe it will. It will certainly get them votes in the state Liberal Party room, because they do not care—clearly, they do not care. However, the industry understands who is fighting for it. It understands that WA Labor has made a much more significant commitment to fight for Western Australian industry. We will set up "Defence West". We will have a minister and an advisory board, and we will go in to fight to get a much better share of the defence dollar in this state than has been achieved by this appalling government, which has just rolled over and allowed the South Australians—South Australians!—to walk all over them. That is just an incredible surrender.

MS S.F. McGURK (Fremantle) [8.29 pm]: I welcome the opportunity to give my take on this year's state budget. There are many issues that I could address. Broadly, I thought that the Western Australian Council of Social Service, and in particular its chief executive officer, Irina Cattalini, made some good points about the

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problem with some of the cuts that are contained within this budget—that they are very short-sighted cuts that will have long-term implications for the social stability of our community. Irina Cattalini wrote in a piece in *The West Australian* just yesterday that —

Genuine, long-term cost savings for Government can only come about through reducing the demand on expensive statutory services like child protection, prisons, and hospitals. If we don't invest more now in social wellbeing, we will continue to lock-in high costs on future budgets, with predictable increases in neglect, abuse, illness, exclusion, isolation and incarceration. It is these factors that prevent people, especially children, from reaching their full potential.

The speaker just prior to me, the member for Warnbro, speaks a lot about the idea of justice reinvestment. If we cut positive, proactive programs, we risk not only the human cost being great, but also the economic cost being significant. We see no better example of that than a story that has just broken this evening about the cuts to parenting support programs by the state government in this budget. According to the Community and Public Sector Union–Civil Service Association of WA, which is representing the affected workers, 44 jobs will be cut across two services that provide parenting support. The government is also closing down a 24-hour phone support line as a budget savings measure. An ABC online news report tonight stated —

The Department of Local Government and Communities spends about \$3.5 million a year delivering Parenting WA, which is a free information, support and referral service providing workshops, a telephone service and parenting library.

At the end of 2016, Parenting WA along with Best Start, an activity-based program at 17 locations for Aboriginal families with children under the age of five, will permanently cease.

A new Department of Education program 'Kindilink', which has similar services to the Best Start program is being offered to affected parents.

This report by the ABC quotes the minister, Tony Simpson, as saying that the use of Parenting WA had declined 52 per cent from the 2011–12 financial year to 2014–15. On its own, that might in fact speak volumes about how this government has gone out and offered those sorts of services and ensured that proactive advice and information is given to those families in need. I said earlier that it was the CPSU that said that 44 jobs are being cut but I was wrong; it was the government that said it is cutting 44 jobs. The union believes that closer to 60 jobs will go and services are being withdrawn from the areas where they are most needed. Rikki Hendon from the CPSU was quoted as saying —

“These are community services that are being taken from rural and low socio-economic areas, where West Australians need the most help,” ...

“These are unique services that are not duplicated by other agencies; specific programs that help zero to three-year-olds and their parents.

“Parenting WA and Best Start are accountable and efficient ways to deliver support services.”

As I understand it, the government is talking about coordinating parenting support services from one location at one centre that will be placed in Mt Lawley. It is difficult to see how it can justify cutting somewhere between 44 and 60 jobs that are providing that sort of proactive advice to families when at the same time we see a huge amount of social dysfunction, the effects of which are an increase in incarceration rates, which we just heard the member for Warnbro speak about, large increases in family and domestic violence, and increased drug use—the government has made a lot of its intention to spend money to try to tackle the use of methamphetamine for instance. If we do not provide families with support, damage is done to children at incredibly important, formative ages. I hope that we do not hear the last of these cuts. They are not cuts that are coming about because the government has done a comprehensive review and has judged that this work can be done better by another agency or can be done better in other ways; they are simply cost-cutting measures, and the government should really be condemned for them.

Another cut I could not believe when I looked through the budget in some detail last Thursday night was the cessation of Beyond Gambling grants; \$500 000 has been taken out of the current year's funding. As I understand it, that amount was not actually spent last year, if I am reading the budget papers correctly. Half a million dollars each year over the forward estimates is also being taken out. There has been no explanation of that and no detail from the minister about whether there has been any analysis of whether those grants are no longer needed or what sort of demand there is for those grants. I have again relied on the ABC for this story but it was also covered by a number of different news agencies; that is, the budget also contains an \$18 million tax break for Crown Perth that is designed to attract high-roller gamblers and pay the state government more tax. It is an amount of \$18 million allocated over three years as a rebate to draw in big-spending gamblers. Despite that, the budget papers show a drop in government revenue, from a projected \$31.2 billion to \$25.6 billion, and in that

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drop an almost halving of the projected casino tax revenue. The government expects to collect \$67 million in casino tax this financial year, although two budgets ago the Treasurer estimated that it would receive \$127 million. In any case, we are talking about \$18 million being given to Crown Perth to attract high rollers, but at the same time the government is cutting half a million dollars in Beyond Gambling grants. Again, I hope we have not seen the last of that. More questions are to be asked, because it really is an incredible situation. I hope that we do not have the same level of problem gambling in Western Australia because we do not have the same incidence of pokies. People obviously have access to them at Crown casino, but they also have easy access to the increasing amount of online gambling opportunities that we are all so familiar with. It was just today that the Premier was talking about the high incidence of that advertising.

The other element that was absent from this budget is that there have been no additional allocations to deal with the increasing incidence of family and domestic violence. The member for Armadale also addressed this government's failure to tackle this very pressing social issue in any meaningful way. Under the previous minister, Hon Helen Morton, this government announced a 20-point action plan called Freedom from Fear. One of the criticisms of that plan was that it was a 20-point action plan that included pre-existing initiatives and no extra resources were allocated to it last year. As I read the budget, there is no additional allocation for what continues to be a very significant social issue and a requirement from the public of Western Australia, in particular, the women of Western Australia. It is not enough for the government to say that it does not accept family violence and violence against women and children and it thinks this is wrong if it is not allocating extra resources to ensure that the situation changes.

In March we saw a report that showed that one-third of Western Australians who are homeless are women fleeing domestic violence. That has sparked two campaigns for major law reform in Western Australia. Despite the homeless support sector struggling with funding cuts, another \$44 million is expected to be cut by the federal government in 2017. There has been a continual issue with the lack of certainty from the federal government around homeless services. It was a very good initiative of former Prime Minister Kevin Rudd to put a significant amount of money into services tackling homelessness. Since the election of the coalition government in 2013, we have seen a continual uncertainty around that funding. As I said, a significant number of the homeless in Western Australia are women fleeing domestic violence.

I have a report by the journalist Giovanni Torre, which states —

In the 12 months between 2014 and 2015, almost 7,000 women escaping domestic violence in WA sought help from services—32 per cent of the requests —

For legal aid —

for help in that period.

Victims of domestic violence face a long-term housing crisis, with some waiting several years for stable accommodation.

The government says that it will do something about domestic violence in its Residential Tenancies Amendment Bill 2015. Again, without putting in extra resources, particularly with a significant waiting list for public housing, it is difficult to see how changes to tenancy law will help that situation. Another initiative from an alliance of WA organisations, Safe Systems, is being put in place to try to deal with that. That alliance is a coalition consisting of the Women's Council for Domestic and Family Violence Services, the Community Legal Centres Association, the Women's Community Health Network WA, the Domestic Violence Legal Workers Network and UnionsWA. That is an alliance of bodies that is hoping to raise the issue of family and domestic violence as a political issue in Western Australia. One of its calls is for reform to the Residential Tenancies Act 1987 to help tenants who are fleeing domestic violence.

There is a need for the housing and legal aid shortages to be addressed if we are going to provide real assistance to women and children fleeing family violence. Yesterday, we saw a report that the state government has no plans to sign up to the national domestic violence organisation Our Watch, despite the Council of Australian Governments panel warning that it could undermine preventive efforts. Our Watch was set up in 2013 to drive nationwide change in the culture that leads to domestic violence. WA, along with New South Wales and the ACT, are yet to become members. These are just practical initiatives that WA should be on board with but it is not. We can compare this government, which has allocated no new money to family and domestic violence, with the Victorian government, which is allocating \$572 million to back up its 227 recommendations from the royal commission. The women who are working in this field in Victoria whom I know are impressed by the rigour with which this issue has been tackled by the Victorian Labor government. The Western Australian government and other states could do well to look at how Victoria is taking on that issue. That is a real issue that needs attention.

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[Member's time extended.]

Ms S.F. McGURK: I wanted to draw your attention, Mr Acting Speaker, to one practical indication of how poorly we are tackling domestic violence. I talked about the statistics of Western Australia; I think we are the second worst in the country for family and domestic violence incidents. Some questions on notice were asked by Hon Amber-Jade Sanderson in the Legislative Council in March about the average time taken between receiving an application for a violence restraining order and an interim hearing being held and also the time taken between an application being made, a hearing being held and then the VRO being served. Those time lapses are quite damning. For instance, the average number of days taken between receiving an application for a VRO and an interim hearing being held in Armadale is 3.9 days. These are the figures for between January and March this year. In Fremantle, it can take six days on average between a woman applying for a VRO and being able to get an interim hearing in a court. In Midland, it takes four days. In contrast, in Perth, it is almost immediate because of the processes there. These women do not apply for a VRO for the fun of it; they apply for them because there is a real situation. Up to a week can lapse between applying for a VRO and getting a hearing in a court. The longest time taken so far this year—between January and March—between receiving an application for a VRO and an interim hearing is 21 days in Armadale. It took 13 days in Fremantle. The average time taken between the VRO being granted and it being issued to the person bound by the VRO—again, these are figures from 2016, so between January and March—is nine days in Broome, 10 days in Geraldton, 11 days in Mandurah and eight days in Rockingham. The court has understood that a VRO needed to be issued but it can take 10 days in any of those places for the VRO to be issued to the person who is bound. These are practical lengths of time, which are disgraceful. There are some incredible statistics on the longest time taken between a violence restraining order being granted and it being issued. These are just 2016 figures; we are not going back over a long period. In Armadale, it took 46 days between a VRO being granted and it being issued to a person; in Broome, 94 days; and in Rockingham, 96 days. In Rockingham, a VRO was granted and it took 96 days to be issued. How can these issues be addressed unless additional resources are allocated by this government? They cannot. It is staggering. I could talk about many more things concerning this budget. Tomorrow the Treasurer will move —

That a Bill for “An Act to provide for the disposal of the whole or part of any business carried on by, or all or any of the assets or liabilities owned and managed by, the Fremantle Port Authority, and for related purposes”, be introduced and read a first time.

That is incredible. It will be interesting to see how the National Party votes on the Fremantle Port Assets (Disposal) Bill 2016, but the government is pressing on even though there are many questions around the privatisation of the Fremantle port. What will be sold; what is the regulatory regime around its sale? Importantly for the community I represent, how many containers will go through Fremantle port and exactly what is being done by this government to plan and build a second port, probably in the outer harbour at Kwinana? We are very pleased to see federal Labor making practical moves in that direction by committing \$2 million in the current election campaign, if it wins government on 2 July, for planning and logistical work in preparing the work necessary for the outer harbour to be assessed by Infrastructure Australia. The practical planning needs to be done but at the moment this government is not doing it; in fact, it is relying on the local government agency to do all the heavy lifting around planning and design for an outer harbour, because this government cannot get organised to do it. Instead, it wants to push as many containers as it can through Fremantle port and attract the best dollar it can despite repeated warnings by the Australian Competition and Consumer Commission and the business community. Just this week on Saturday a report in *The Weekend West* was headed “Miners attack port sale bid”. It was about the Utah Point sale and reads —

The Utah Point export terminal has already generated enough cash to pay off the State Government's initial \$235 million infrastructure investment, a parliamentary committee was told yesterday, as the Pilbara's mid-tier miners slammed the Government's approach to selling the facility.

I understand that is about the Utah Point sale. It is an income-generating asset but the government is not investing in other income-generating assets; it is just selling down the debt it has accrued through luxury items. It is nice to have luxury items, but bread-and-butter spending, such as making sure that ageing infrastructure like the Fremantle Traffic Bridge is left standing is not something this government can seem to wrap its head around. A few weeks ago there was the extraordinary situation that despite working on shoring up that ageing piece of infrastructure, the bridge carrying something like 30 000 vehicles a day had to be closed over the weekend, and I think for two working days, due to the extent of erosion discovered in some of the piers holding up the bridge. Remember, this is a bridge that successive engineering reports have said is at risk of collapse if it is hit by a vessel. The most incredible of those reports was in 2014, which referred to a glancing blow by a vessel the size of the Rottneest Island ferry. While I was addressing media on the closure of the Fremantle Traffic Bridge, the Rottneest Island ferry went past a number of times. As it moves along there, it squeezes under the Fremantle Traffic Bridge. Two or three journalists looked at me. It would be very, very easy for the

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Rottneest Island ferry to hit the traffic bridge. The last cost estimates for replacing that bridge were queried by my predecessor, the member for Fremantle at the time, Adele Carles, and it was estimated it would cost \$190 million to replace the bridge. If we separated freight and passenger lines so that we could increase the bridge's capacity to get the amount of freight moving on rail, it would cost \$230 million. While the state government is allocating, between it and the federal government —

Mr J.M. Francis: How old is it?

Ms S.F. McGURK: It is coming up to 77 years old; it was built in 1939. It was never intended to last this length of time. It was not built for this length of service, let alone the amount of weight and traffic that goes over it. It is being shored up. I do not want to alarm people; I travel over it all the time, although I travelled over it only about an hour before it was closed the other day. It was not closed to just traffic but also pedestrians and cyclists, which did not inspire confidence. To repeat those figures, it would cost about \$200 million to replace the Fremantle Traffic Bridge and the government cannot find the money to do that but it will have spent about \$2.5 billion to \$3 billion, by the time it gets to the port, on the Perth Freight Link, which no-one wants. The government has got its priorities all wrong. Its infrastructure planning is an embarrassment. I can tell anyone on the other side of the chamber who is listening that this is a very easy message to get across as I knock on doors out there in my electorate and the electorates around mine. We intend to prosecute that argument at every single opportunity. The government has tried to sell the benefits of Perth Freight Link; it has been an embarrassing failure. If it did not have control of the Treasury at this stage, it would be the stuff of ABC satire.

I could refer to many other points. I have not even got to the relocation of a government department to the Fremantle CBD. We continue to be told that it has gone through cabinet and is on the verge of being announced. I will believe it when I see it and look forward to it occurring. If there is one single thing this government could do to help Fremantle's economic woes, it is to relocate a government department to Fremantle. I will be the first to congratulate the government if it does that. It promised to do that in 2012; it is now 2016. If it had delivered it and built it in 2012, all those public servants would be now operating out of Fremantle.

MR F.M. LOGAN (Cockburn) [9.00 pm]: I want to begin my contribution to tonight's debate on the Appropriation (Recurrent 2016–17) Bill 2016 and the Appropriation (Capital 2016–17) Bill 2016 by taking members of the house to the appropriation for the Department of Training and Workforce Development, which is a portfolio of the Deputy Premier and Minister for Training and Workforce Development, Hon Liza Harvey. The appropriation for that department, as shown in the budget papers, is a sad reflection, unfortunately, of everything that the Auditor General pointed out to the house in his recent audit of the Department of Training and Workforce Development as part of his overall audit into education services in Western Australia. The figures under the training and workforce development section in volume 1 of budget paper No 2 tell the whole story. The total appropriation for the Department of Training and Workforce Development, which includes the delivery of training services, for the forthcoming 2016–17 financial year is \$353.4 million. Not long ago, in the 2012–13 budget, the appropriation for the Department of Training and Workforce Development was \$560 million. The appropriation drops to \$344.4 million in the 2020 forward estimate.

The Minister for Training and Workforce Development has tried to defend what has happened to her training portfolio and to defend the criticisms that have been levelled at the government by the Auditor General. Those criticisms have not been levelled by the opposition. We level a whole lot of criticisms of the government over everything. However, it is the Auditor General in this case who has levelled a criticism of the government about the handling of training in Western Australia. The minister has given a pathetic defence of her handling of this portfolio, as though the figures that are in the budget papers are not real. When we have pointed out to the minister, as the Auditor General has done, that fees have increased, the number of students has dropped, and the budget for running the vocational education and training system has continued to drop, she denies it and tries to paint the picture that that has not happened. How can the minister deny what is in her own budget papers? During the second term of this conservative government, there has been a \$200 million cut to the budget for the delivery of vocational education and training in Western Australia. How can the minister deny that? It is right there in front of her, in black and white. Therefore, the Auditor General was absolutely on the money when he criticised this conservative government for its delivery of training services to students in Western Australia.

Let us look at what has happened over the years. We have seen a continuous attack by the Liberal–National government on vocational education and training in Western Australia. For what reason, I do not know. If the conservative side of politics does not believe in the delivery of vocational education and training, why not just come out and say it? Why not just say, “We don't believe in the delivery of this service by government. We don't want to train young people. We don't want to train a skilled workforce”? The government should say that, rather than try to delude people that it is fully supporting the vocational education and training sector in Western Australia, when at the same time it is continuing a series of cuts and attacks on that very portfolio. In every single year that this government has been in office, from its first budget in 2009 to the current forward

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estimate for 2016–17, there has been a cut in the appropriation to the Department of Training and Workforce Development for the delivery of vocational education and training in Western Australia. No additional money has been added to the budget for that department. Money has been added for specific projects. However, that does not compensate for the overall reduction in the appropriation for that department. Of course the consequences are a poorer standard of service, a poorer delivery of training in colleges, and a lower number of contact hours between teachers and students. That ultimately means that fewer people are employed. Everyone in this house would know that if we cut the amount of money that is available to a private sector business or a public sector department, ultimately it will lead to a diminution in the standard of services to either the public or the customer. That is what has happened in the Department of Training and Workforce Development. We have seen cuts to the appropriation for vocational education and training. We have seen increases in fees. Everyone in this house knows that we have gone on at length, and I have gone on at length, about the increases in fees for TAFE students.

Mr D.J. Kelly: Not long enough!

Mr F.M. LOGAN: Not long enough! Thank you very much, member for Bassendean! We will continue to remind people of that, all the way up to the election. We have raised that issue over and again in this house. When we continue to increase the fees for students in Western Australia, there is an outcome. That outcome is that we have fewer students. For diplomas and associate diplomas, and for certificate IVs, there has been a 520 per cent increase in the cost of undertaking training in Western Australia. There is no justification whatsoever for that increase. The only person who has ever spelt out the reason that the government did that was Hon Terry Redman, the former Minister for Training and Workforce Development and Leader of the National Party. He said clearly during budget estimates basically, “The government has been subsidising training in Western Australia. We have financial difficulties and we have budgetary difficulties, and the Department of Training, like every other government department in Western Australia, has to contribute to overcoming our budgetary difficulties, so students will have to pay more.” He said, “We have budgetary difficulties”—he did not say that we have got ourselves into these budgetary difficulties—“and therefore everyone has to contribute and pay more, and we are going to take more money out of the pockets of students who are doing vocational education and training in order to pay for that budgetary problem.” At least he was up-front about it. We cannot criticise him about that. He was honest in saying that the government is going to take money out of the pockets of students to pay for its budgetary stupidity. That is basically what it is—budgetary stupidity. I will not go on at length about that budgetary stupidity. Every commentator in Western Australia has made it crystal clear that this is budgetary stupidity. This government has presided over the worst deficit in living history. No, it is not in living history—this is the worst budget in the history of the Parliament of Western Australia. This is the worst budget ever handed down by any government in Western Australia. I will not labour that at length. All the pundits, all the commentators, from the Labor side of politics, business, business organisations and economic pundits in Western Australia have all said the same thing. They have all condemned the budget.

The former Minister for Training and Workforce Development, the Leader of the National Party, made it very clear why TAFE fees had to go up: “We have budget problems. We caused those budget problems, so the students can pay.” We have had massive and continuing cuts to the appropriation at the department for vocational education and training. We have had massive increases in fees for students, who are trying to get ahead, change a job, get a job or be skilled up in order to get some employment. Consequently, we have had a decrease in the number of students who are attending or who can attend TAFE, which is exactly what the Auditor General said in his report, tabled in this place last week. That is exactly what he said. We have been saying over and again in this house, “If you go down this path and you keep doing this, this will be the outcome.” It has now been confirmed by the Auditor General. For the second year in a row, he has come down with those findings. Clearly, he was just not listened to.

The other thing about the outcome of the Liberal–National government’s behaviour towards vocational education and training is that if the government continues to apply that size of cuts to the Department of Training and Workforce Development, ultimately, it will lead to a diminishing in not only services and the number of students who are attending, but also the number of jobs in that department. For the last three years, we have seen redundancy package after redundancy package being offered to both trainers and administrative staff within the Department of Training and Workforce Development. If we add up the number of people who have been let go from TAFE, which includes both the administrators and the lecturers themselves, over the last three years, including this year, 350 positions have been terminated. Many of those positions, particularly the lecturers, have the maximum amount of knowledge and skills and have been at the colleges for probably the longest period. Lecturers have said to me, “I cannot stand it here any longer; I’ve got to get out. I just cannot stand it here any longer. I’ve just had enough of it. I’m taking the package and I’m going.” The people who have been picking up those packages are primarily the people we want to hang on to. They are some of the best lecturers; they are the people with the most experience and the greatest knowledge of the skills imparted to students. We are losing

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them. We are losing that collective knowledge out of the TAFE colleges in Western Australia. That is a seriously bad thing, because it is those people who can pass on those key parts of trade skills—particularly trade skills and technical skills—to younger people, whom we might lose completely. It is very difficult getting people like that back into training colleges—very difficult.

That is the story of vocational education and training in Western Australia since 2009, and this budget does not make it any better. In terms of fees, I have indicated to members about the capital appropriation. The minister stood in this house and said, “We have put a cap on fees. We have got a cap and here it is in the significant issues impacting the agency on page 141 of volume 1 of budget paper No 2. We have a cap of four per cent per annum to minimise the impact on changing student fee contributions.” My understanding is that the consumer price index in Western Australia is 1.7 per cent at the moment, so what is the reason for a cap of four per cent? That is right; it is to contribute to the budgetary problems that we have that are continuing to shift the cost of delivering training or accessing training more and more onto the student. It was a cap of four per cent per annum last year, under the current Minister for Training and Workforce Development, the sixth Minister for Training and Workforce Development we have had in this state. She will stand up when I criticise her about the increase in fees and say, “Oh, well, look, it is only four per cent; we have put the fees up by only four per cent. I told you we have put a cap in place.” The cap is 2.3 per cent above CPI. There is no reason for that four per cent cap to be put there, no reason at all, particularly when we have had cuts to the departmental budget and the government has terminated people’s positions, reducing the cost structure of its entire delivery of training. Why does the government need to add more problems by increasing training fees by 2.3 per cent more than CPI? The government does not need to do that.

[Member’s time extended.]

Mr F.M. LOGAN: The government is doing it because it is all part of the story of shifting the cost burden onto the student, who will ultimately pay for the budgetary mess that we have in Western Australia.

It is the same in housing. My other shadow portfolio, which I would like to refer to, is obviously housing. I find the attitude that has been taken towards the delivery of public housing in Western Australia makes me ill, in terms of the behaviour of the current government, and it is made more so by the National Party ministers who have held the portfolio. It was bad enough with Liberal Party ministers who held the portfolio, but at least there was some empathy for public housing tenants, particularly by the former member for Vasse, Hon Troy Buswell, who came from a public housing tenancy himself and understood the situation and had empathy for people who lived in public housing. The born-to-rule snobs from the National Party look down their nose at people who live in public housing. They look down their nose, to the point at which contractors to the Department of Housing and other people who work very closely with the Department of Housing, including people in the emergency services area, say to me, “The Department of Housing does not look after public housing any more. They do not even refer to it as public housing. They see it as transitional housing.” Under the Liberals, it was public housing. Under the Nationals, it is transitional housing. The attitude is, “We do not really want these ratbag, loafer bludgers living on the public purse. We want to push them out of public housing, so they can go and buy their own home and they can go into the private sector.” That is the cultural approach now taken by the Department of Housing. It does not look after public housing any longer, according to the Housing Authority; it looks after transitional housing, whatever transitional housing is. As I have explained, I think it is somehow that a person is on the way to somewhere else—probably a park bench, or in their own home, or one of the two; I do not know. That is the approach, and it has been taken by this born-to-rule bunch of snobs who are in charge of public housing at the moment—the National Party.

Dr G.G. Jacobs: Don’t be tough.

Mr F.M. LOGAN: That is exactly what they are.

Dr G.G. Jacobs: They’re country boys; they’re not —

Mr F.M. LOGAN: They are not country boys. They are a bunch of squatters who look down their nose at everybody else in the city. They look down their nose at people who are doing it tough, because they have never had to do it tough; they inherited everything from their parents and have never had to do it tough.

Dr G.G. Jacobs interjected.

Mr F.M. LOGAN: When I was the Minister for Housing, the member for Eyre was certainly on my back to look after public housing in Eyre. I would not get much support from the National Party for supporting the member for Eyre.

Mr J.R. Quigley interjected.

Mr F.M. LOGAN: I was never the Minister for Water. What is the matter with you guys? I was never the Minister for Water.

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Mr S.K. L'Estrange interjected.

Mr F.M. LOGAN: If the head of intelligence on the other side of the house, the member for Churchlands, got out of his tent after following the jihadis —

Mr P. Papalia interjected.

Mr F.M. LOGAN: I know. I have said this before to the member for Churchlands—it is pinot gris! Just leave the chardonnay out of it, although I must admit that during wine tasting just a second ago, I think I gave the chardonnay a five. I will take up with Parliamentary Services the lack of pinot gris in the wine tasting.

Mr P. Papalia: Perhaps the member for Churchlands is in the car with the Premier when he takes the temperature of the electorates.

Mr F.M. LOGAN: Now that the member for Warnbro has mentioned that, I turn to the overall approach of the government to the issues that I have raised—the issue of training and the destruction of TAFE and the issue of housing and the fact that there are over 18 500 people on the waiting list. The Minister for Housing will say that that number is great because previously there were 24 000 applicants on the waiting list. He will say that that is fantastic and that the Liberal-National government has done a great job. When we left office, the housing wait list was just over 14 000. It rose to 24 000 under the Liberal-National government and it has just brought it back to 18 500. That is not something that the government should be celebrating. It is not a fantastic outcome; it is a bit of a problem. The reason that it is not lower than that is revealed when we drill down into the number of houses that have been made available to people in Western Australia, because all of it has been made available to people who can afford to go into their own home. Keystart loans make up the bulk of the big claim that the government has provided 20 000 housing opportunities—not houses, but housing opportunities—by 2020. That was the housing plan and, of course, the Minister for Housing and the Leader of the National Party have said that the government has achieved 20 000 housing opportunities before 2020—indeed, by 2015—and now it will move on to 30 000 housing opportunities by 2020 because it is so successful. If members drill down to the figures, they will see that by far the majority of those housing opportunities are loans from Keystart. They are homes, but not homes provided by the government; rather, they are loans provided by the government. When we look at the number of houses—that is, bricks and mortar—that have been made available to house people, at the end of the day a significant number of those are homes that have been delivered to the community housing sector, which is a part of the commonwealth-state agreement. They are houses delivered to the community housing sector, houses delivered under the national Aboriginal housing plan and houses delivered to people for things such as disabilities and other factors, which is not a great number at all.

The snobs from the National Party call it social housing because they are too embarrassed to call it public housing and want nothing to do with public housing and anything associated with it because government ownership is bad. If we examine the figures for social housing, which we know as Homeswest homes, and subtract the number of houses that have been given away or sold as part of the Housing Authority's normal process of business last year—that is, houses given to the community housing sector and houses sold as part of its business activities—and subtract that from the number of new social houses or Homeswest houses that have been built, the net addition to the 36 000 public housing homes in Western Australia is 77—in one year. Well, with only 77 new houses added to the total housing stock, it is not surprising that the waiting list has not come down. That number of new houses will not reduce the public housing waiting list—it is simple. The Minister for Housing will never admit that, but the figures are in the *Budget Statements*. We have just used the figures provided by the government. That is the reason there are 18 5000 people still on the wait list. People who have dropped off the waiting list or come off the waiting list have got bond assistance, got into private housing, were lucky enough to get a Keystart loan or have literally dropped off the housing waiting list. That is the record of housing and training by the Liberal government in Western Australia. What has the Premier said about that? Yesterday, he said —

... because there's quite a positive mood in the community ...

I sense that.

That is what the Premier said yesterday. I have just described the absolute disaster of a budget that is an absolute disaster for TAFE and a shocking record for the delivery of housing outcomes for people on the public housing list, yet the Premier said that he could sense the positive mood out there in the community. How does he sense that?

A member interjected.

The ACTING SPEAKER (Mr I.M. Britza): Member for Butler, do not call out from a seat that you do not sit in.

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Mr F.M. LOGAN: I find it quite amazing. We do not sense that. We sense that the Premier is under a lot of pressure. We see that every time he sits in the chamber. Members should look at the Premier's face when he is in here—he does not want to be in this house. I am sure if he were honest, he would say, “Get me out of here—Beam me up, Scotty!” The Premier does not want the job and the four wannabes—there may be more, but two of them are here tonight—do not want the job. They could have had a go on Tuesday, but they were outed by Nigel Satterley. The Premier does not want the job and the four wannabes will not take on the job or cannot do the job. In our view, they cannot do the job. I think it will come down to the Minister for Health. I think the Minister for Health will be the Steve Bradbury or Jim Hacker of the Liberal Party. Yes, you, Minister for Health! Between now and December, he will come up the middle brushing those wannabes aside and land the premiership in a safe pair of hands just like Steven Bradbury, who suddenly found himself skating into a gold medal position.

Several members interjected.

Mr F.M. LOGAN: It is true. What other safe pair of hands could the Liberal Party possibly find?

MR D.J. KELLY (Bassendean) [9.30 pm]: I rise to comment on the budget. A lot has been said already on this side about this being the worst budget in the history of Western Australia. Unfortunately, it is true. When last year's budget was handed down it was easily the worst budget in the state's history and we thought we would not get another budget that bad, but this budget has surpassed last year's massive budget deficit with an ever-increasing deficit and is easily the worst budget in the state's history. The Premier and the Treasurer simply do not get it. The Premier and the Treasurer have been out there applauding themselves for the performance they have given in preparing this budget, and their comments are well documented, as is the criticism on this side of the house of the Premier's and Treasurer's performance around this budget.

Before I talk about some other issues, I want to go back in particular to the contribution that the National Party makes in wrecking the state's finances. I go back to a speech made in February by the member for Pilbara, when he spoke on the Pilbara Port Assets (Disposal) Bill 2015. Essentially, he made the case that Western Australia does not have a mountain of debt. I will go back to his speech in *Hansard*; he gave it with such flourish because he thought he was staking his claim to regain the leadership of the National Party. Basically, he argued that everything the government had done was perfectly economically justifiable and responsible. In *Hansard* on 23 February, he states —

We hear often from members opposite about the mountain of debt and how the state has blown the boom. We hear that the ratings agencies have downgraded our credit rating and now rate Tasmania and South Australia as stronger economies than Western Australia. I actually do not think that analysis is fair or justified.

He goes on to poke the Treasurer in the nose, and say —

I would like the Treasurer to respond to this notion of a mountain of debt because I do not think it is a mountain of debt. When we talk about the sale of assets to reduce debt, it means we think debt is too high. Again, people may have different opinions from mine but when I look at the Western Australian economy's underlying strength and budget revenues of around \$30 billion a year, I would dearly love my own home finances to have revenue of \$30 billion a year and debt around the same amount. That would make my bank manager much happier.

The first thing about the member's comments is that if he thought running up debt to \$30 billion, at the time, was a good idea, he should have had the courage to tell the electors of Western Australia he was going to do that before the government did it; but of course he did not. The second thing I want to dwell on there is that the member for Pilbara's whole rationale that running up an enormous level debt is okay was based on comparing the state's finances with household finances. Essentially, he said that if his level of annual income was equal to his total debt, as a householder he would be in great financial circumstances. That is true if, for example, a person had an income of \$100 000 and their total debt was \$100 000, having bought a house and a car and they were paying off whatever they were spending to send their kids to school. If they had everything covered, they would be in a strong financial position. But the member for Pilbara fails to understand that Western Australia may have revenue of approximately \$30 billion a year and total debt of around \$30 billion, but the government has not done everything that needs to be done in this state. It has public transport projects and road programs to fund. Even the Treasurer would recognise this: we are not in the position that all our assets are covered and we do not have to spend anything more. We need to purchase or build further assets. For the member for Pilbara to make a comparison between our current position and a household that has got an annual income equivalent to its total debt shows just how little he understands the budgetary position that the state is in. Anyone who compares the state's finances with the finances of a single household is almost economically illiterate. It is no wonder,

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when the shining light of the National Party is saying there is no debt problem, that this government has taken us into the financial mess we are in.

I want to say a few things about some specific announcements in the budget—firstly, the Ellenbrook bus rapid transit project. The Treasurer announced \$49 million for a bus lane from Ellenbrook south, finishing at Marshall Road, with buses continuing on ordinary bus routes to Bassendean. After the budget speech, I saw the member for Swan Hills having his photo taken with the Minister for Transport, proud as punch that \$49 million was allocated for a bus rapid transit system from Ellenbrook. What a disgrace! In 2008, the member for Swan Hills and the government promised a train to Ellenbrook; then they promised a \$110 million bus rapid transit system that would go all the way from Ellenbrook to Bassendean. Now, in this budget, they are trying to sell short the people of Ellenbrook with a \$49 million half a bus rapid transit system that goes from Ellenbrook but finishes at Marshall Road, with buses continuing on to Bassendean. I feel for the people of Ellenbrook who are once again being duded by this government, but I want to raise one impact of that on my electorate of Bassendean. At the moment, in the absence of a train line from Ellenbrook, many people catch buses that terminate at Bassendean, then they get on the Midland line and continue their journey. It is a very inefficient journey, and it means that large numbers of people from Ellenbrook get on the Midland line and contribute to overcrowding on the Midland line. I would be interested to hear from the government what modelling it has done, if the bus rapid transit system is going to ease congestion by getting more people off our roads and onto that train line, on how many additional people will make that journey and how many of them will then end their bus trip at Bassendean; and, if greater numbers of commuters are going to end their bus trip at Bassendean, what allowance the government has made for additional passenger volumes on the Midland line? I understand that questions were asked today of the Minister for Transport in the Legislative Council on a range of issues, but one of those issues was: what additional passenger numbers does the Minister for Transport believe will catch that Ellenbrook half a bus rapid transit system and then end their journey at the Bassendean station? No answer was given and a request was made that the question be put on notice. I suspect that the government has made no allowance for additional traffic on the Midland line, so all that this half, cheap version of a bus rapid transit system will do is bring people to Marshall Road. Then they will have to travel by existing bus route and they will still end up at Bassendean station, and they will just contribute to further congestion on the Midland line. Not only are the people of Ellenbrook and the surrounding suburbs being sold short by this half a bus rapid transit system that was announced, but the congestion on the Midland line will also be greatly increased by this cut-price bus lane from Ellenbrook. I would be interested to hear about that from the Treasurer, if he can answer the questions that the transport minister could not answer in the other place. It is interesting that there is nothing in the budget about public transport to Morley. Either there is nothing or it will be a surprise unfunded announcement closer to the election. There is a desperate need for more public transport in the north eastern suburbs. The only efficient answer to that is a train line to Ellenbrook through Morley. That would provide the public transport that those suburbs need and at the same time relieve congestion on the Midland line. The state government's contribution to public transport in this budget, and in particular rail, is again very disappointing, although I would not be surprised if closer to the election there is a surprise announcement of a rail line, maybe a tunnel somewhere, to try to win votes. But I say to the government that people will not believe it. People have been lied to by the Liberal Party on public transport issues for too long and if the Liberal Party again comes out and announces more unfunded public transport policies right before the election, I simply do not think people will believe it.

I have to raise the incident that occurred about a week and a half ago in my electorate. There was another escape from the disability justice centre in Lord Street. On New Year's Eve this year, two people held in that detention centre escaped. They simply jumped a fence and they were off. It caused a huge amount of distress to the local community. At the time the then minister gave assurances that there would be enhanced security and the centre would be made secure. As a result of that incident, one of the three people held at the centre went back to another prison, and so for the last five months there have only been two people held at that centre. On 8 May, one of those two people held at that centre climbed the fence again and was out for four hours. The government has said it was going to spend \$640 000 doubling the size of the internal fence from 2.1 metres to 4.5 metres. An anti-dig plinth will be put around the perimeter. I am not quite sure what that is, but I understand it is to stop people tunnelling out. Maybe it is anticipated that the transport minister may spend some time there! Enhanced surveillance equipment is going to be installed. That is all for \$640 000. In a budget in which the government has made some ridiculous cuts to essential services, money is being thrown at the centre. With that \$640 000 that will be added to the capital expenditure on the centre, it will mean that this government has spent over \$9 million on it, and there are currently two people held there. It will be closed down, apparently for three months, to have the new security arrangements put in place. This project was a folly from the start. The government's own guidelines stated that the centres should not be built close to schools or in residential areas. The minister at the time made what she thought was a politically expedient decision to put it in an area where the government does

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not care what residents think. That has backfired because it is directly across the road from homes and so close to schools that the government now has to make it essentially like any other prison in order to keep people inside it so there is some degree of security for the local residents and schools. If the government had followed its own guidelines and put it somewhere that was in a more acceptable position, it may not be in the position it is now. I have written to the new Minister for Disability Services, Hon Donna Faragher, and asked for an urgent meeting. I made that request after having been approached by one of the schools in the area. They want to know what is going on, so I have asked Hon Donna Faragher, the Minister for Disability Services, for an urgent meeting to discuss the situation. I look forward to her reply and I hope it is a prompt one, because the community deserves more respect than it has received. There has been \$9 million pumped into that centre, with a \$2 million running cost per annum, and it will now be closed down for up to three months. The two people currently being held there will be rehoused while security arrangements are put in. The whole purpose of the centre was to rehabilitate people so they could pass through the system and rejoin the community. After 12 months of operation, no-one to my knowledge has passed through that centre and rejoined the community, so it has not achieved what it was meant to for even one current member of the prison population.

On a sad note I want to acknowledge the passing of Steve Page, who passed away on 25 March this year. Steve's funeral took place on 8 April and it was a very lovely service. Steve was best known to me for his very active role in the Bassendean Volunteer Fire and Rescue Service. He was a member of that brigade for 20 years. He was more than willing to put himself in harm's way to protect the rest of the community. He was bitterly disappointed at the government's decision to close the brigade; I think that was in 2013. He fought hard to keep the brigade open and that is essentially how I got to know him. He was a regular visitor to my office. He was just a great bloke and I could tell from the funeral how much his family loved him and how much he meant to the community. To Loretta Page, his wife, and the rest of the family I pass on my condolences and we thank Steve for the contribution he made to the community and for a life well lived.

I would now like to say some things about some of the portfolios I am shadow minister for. The government without a doubt is using the Water Corporation as a cash machine. Once again we saw prices increase by 4.5 per cent in this budget. The budget papers say inflation is anticipated to be 1.75 per cent next year; I think the Treasurer is on record as saying he now thinks it is going to be only 1.5 per cent. Either way, a 4.5 per cent increase in water prices is simply unacceptable and unjustifiable on any measure. Under this Minister for Water the government has taken the axe to the Water Corporation. In recent times there have been more than 400 job cuts at the Water Corporation; the government has basically gone through and axed positions left, right and centre. There have been 400 job cuts at the Water Corporation and the privatisation of the engineering and construction division—that was, I think, more than 100 positions. I have spoken many times about the lack of justification for the privatisation of the engineering and construction division, so I will not go there again, but we are looking at 400 job cuts, privatisation of the engineering and construction division of the Water Corporation, and a massive cut in the Water Corporation's capital budget, the asset investment program.

In 2014 the minister tabled in Parliament the strategic development plan for 2014–15 to 2018–19—a five-year plan. The plan states that the board thought that the Water Corporation needed \$5.4 billion over the five-year period to adequately maintain its assets. In that five-year plan they settled on an asset investment program that was \$900 million less, so there was a \$4.5 billion asset investment program. But they warned that any further cuts would create serious risks to the Water Corporation's ability to meet its licence obligations and to properly maintain its assets. Since then the government has just continued, budget after budget, to cut the asset investment program of the Water Corporation. In this year's budget, since the midyear review, I think a further \$143 million or \$147 million has been cut from the asset investment program. Over the five years that was covered by the strategic development plan that the Minister for Water tabled, we can translate that into what has been spent and what will be spent up to 2018–19. The asset investment program is actually only \$3.8 billion. That is 30 per cent lower than the \$5.4 billion that the strategic development plan said was needed, and it is about 15 per cent less than the \$4.5 billion that the strategic development plan actually settled on, so there has been a massive cut in the asset investment program of the Water Corporation.

When I challenged the Minister for Water on this in Parliament she famously—or infamously—made the ridiculous statement that the Water Corporation did not need to spend so much on capital because the government had droughtproofed Perth. The Treasurer foolishly repeated that in last year's budget. No-one in Western Australia—except possibly the Treasurer and the Minister for Water—thinks that we have actually droughtproofed Perth; no-one.

Mr V.A. Catania: Have you got water?

Mr D.J. KELLY: What was that?

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Mr V.A. Catania: Have you got water?

Mr D.J. KELLY: That is the comment from the member for North West Central—that because one can turn on the tap and get water, that means we have droughtproofed Perth. What a ridiculous statement for any member of this place to make in a state like Western Australia, where even the Water Corporation says we are being impacted upon by climate change possibly more than anywhere else on the planet. We have a member in this house who says that because we turn a tap on and get water out of it, it means we have droughtproofed Perth. The man is a fool, at best, and he is a danger to the state of Western Australia. If that reflects the views of the National Party, he is a wrecker in this place.

My point is that this government has cut jobs, presumably at significant cost savings to the Water Corporation. It has made a significant cut to the Water Corporation's asset investment program, so one would think that the people of Western Australia might get some dividend from those savings by way of smaller increases in water prices, but no. This government, again, has put water prices up in this budget by 4.5 per cent, for the same reason that it always does. Every year this government has been in power since 2008 it has put water prices up by significantly more than the rate of inflation—every single year. The budget shows that once it gets past the election, the plan is for an increase of six per cent next year and six per cent the year after. This government is really putting into state government revenue all the dividends it has made through the savings it has made at the Water Corporation, and the Water Corporation's general profits. In 2016–17 the Water Corporation will contribute \$360 million to the state's coffers—a record net payment to government from the Water Corporation. In 2012–13 the net payment to government was only \$140 million; next year, under this budget, it will be \$360 million.

The government has made significant changes to the Water Corporation's internal operations. Even if we were to accept that the Water Corporation would still be able to perform the functions required, is the government sharing any of those dividends with the people of Western Australia? No, it is continuing to put water bills up and the dividends are going into the state's coffers to try to cover up the budgetary mess this government has created elsewhere. Around the state people are struggling to pay their water bills. Record numbers of people have had their water disconnected and record numbers of people are paying interest for late payment of water bills. Across the board many Western Australians are now finding that they cannot pay their water bills. It is not because the Water Corporation is struggling and that the government therefore has no choice but to put water prices up; it is because the government is using the Water Corporation as an ATM and water bills as an alternative way of taxing people to cover up its budgetary mess. I challenge the Treasurer or the Minister for Water to give a different rationale for the significant increases in water prices we have seen.

I have only a few minutes left so I would like to say something about the fisheries portfolio. One of the big issues in the fisheries portfolio is the new legislation, the Aquatic Resources Management Bill 2015, which is currently before the house. It is a significant change to the way in which we manage our fisheries, but I cannot see any money in the budget for the Department of Fisheries to resource the change of moving fisheries management into the new regime. It is all well and good for the government to say that fisheries and aquaculture are important industries into the future and that the legislation is about modernising the way we manage our fisheries, but if the Department of Fisheries has no resources to transition from the existing management arrangements to new arrangements under this legislation, the government has once again failed that industry when there is enormous potential for that industry to grow and to contribute to the Western Australian economy.

MR P.C. TINLEY (Willagee) [9.59 pm]: The Treasurer's budget speech, as set out in budget paper No 1, states —

Mr Speaker, while economic growth in the State will continue to be supported by the resources sector, we have long recognised that other sectors are strategically important in terms of growth in employment opportunities and developing the State's economic base.

I emphasise the words “we have long recognised that other sectors are strategically important in terms of growth in employment opportunities and developing the State's economic base”. For the best part of eight years, this government has had the opportunity to recognise the bonanza in revenue, not just the cash revenue inflows but the bonanza in global attention this state has enjoyed, and continues to enjoy in large part because of the once-in-a-lifetime resource boom and investment in the oil and gas sector, principally by Chevron's Gorgon project on Barrow Island.

If we look at the history of evidence of the diversification of the state's economy over the last near eight years and evidence that the government is serious about the diversification of industry in our economy, we come up pretty sad in comparative terms. When we look at the massive revenue inflows that the state has enjoyed principally as a result of the iron ore expansion—not just the price boom, but the production boom that has occurred in the Pilbara; and then of course the elevation of Western Australia to being the second largest LNG producer—we hope, if we can

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get that train going, second only to Qatar—when the numbers finally come in on stable production, potentially we will be the world’s largest LNG producer. That makes us a central player in the supply chain for world energy and a significant player for the component of output to world energy, being steel and steel production.

That windfall is always about choices. This government chose to ignore mounting state debt and the net debt accrued over time to make this the most indebted jurisdiction per capita, and probably by many other measurements, in Australia. That makes us an almost basket case in fiscal flexibility in that we have to adjust to any further global shocks or, more importantly, on the upside, take advantage of the opportunities. In my view we did not take advantage of the opportunities presented to us when we had this bonanza of revenue. We did not understand what was happening in developed companies and the global view about how developed companies were preparing themselves for an uncertain, innovative, science-driven future. We know from reports by the previous Chief Scientist, Ian Chubb, when nearly two years ago he identified that 40 per cent of the current jobs will not exist by 2030, that that does not mean there will be double-digit unemployment. However, it does mean that jobs that currently do not exist will move up the technical spectrum. We only have to look to the iron ore industry—that traditional industry in Western Australia—to see how that is happening. It is happening with the autonomous vehicle project and also the fact that they are taking a driver out of the driller and potentially soon out of the train cab. That driver has not become absent but has moved to the remote operations centre on St Georges Terrace or to Rio Tinto’s operations centre near the airport in Belmont. That is a good example of the technical spectrum that these jobs have moved up to. Although they have lost the driver in the cab, they have gained the console operator and the information and communications technology expert, the software developer, the operations expert and the communications person. As we know, they are all very technical positions that require varying levels of technical expertise to undertake the single action to integrate those actions into a system of systems to ensure that the entire organisation works thousands of kilometres from the worksite.

I have a word of warning though: if we continue down the path we seem to be heading, remaining ignorant about the diversified economy requirements of this state, we could find ourselves either having to import skilled labour, in particular in areas of paucity in an emergency, or risk losing those jobs altogether. If a remote operations centre can run a Haulpak thousands of kilometres away, why could it not operate it 10 000 kilometres away? We could easily lose those jobs to an offshore or other location. Other service industries have done that. We all know about and have had experience with communicating with particular service providers—ringing a number and talking anywhere on the planet to somebody who will hopefully help you with a problem. There is no better area to underscore the lack of the government’s intention and understanding over the past years—not just the Johnny-come-lately approach that it has undertaken in this year’s budget, but over the last seven to eight years—than science. In 2008, when the Labor Party left office, the budget papers contained a direct line item called “Science”, of \$80 million. That amount dwindled last year in the 2015–16 budget to, I think, on the forward estimates, \$12 million. It has gone from \$80 million to \$12 million. It is a complete and utter scam. This government does not understand the level of investment required not only in actual dollar terms, but also over time, and the compounding effect that that amount of money and attention year on year delivers for cultural change. Here is the problem. Increasingly, industry and science must collaborate to deliver the single biggest jump that we need to ensure that we are participants in a changing world and to maintain the trajectory of Western Australia as a high wage jurisdiction, otherwise we will get trapped in a malaise, if you like, of middle to upper middle income and end up in a cul-de-sac, which will see in the end massively declining standards of living particularly relative to our neighbours. We might be proud that we fit into the G20, but when we contemplate the 2025 to 2030 future, in which Indonesia is the fourth largest economy in the world, we may find that we do not fit in the G20 anymore, unless they start calling it the G25 or G30. That will be on the horizon for Western Australia if we do not attend to the looming challenge of a more complex and diversified economy, and we need to ensure that we keep the opportunities for successive cohorts of Western Australians coming through—our children and their children—and make sure that the future they enjoy is not dissimilar to the one we have enjoyed and is delivered on the back of some massive revenue increases.

Employment is all about the right jobs. The iron ore industry employs about only six per cent of the state’s workforce. Yes, there can be rubbery figures or any sort of claim around the multiplier effect of one job in the resource sector equating to whatever multiplier it might be jobs in a distributed economy, but that does not underscore the problems that we will face in the future. If the government had the ambition to diversify the economy, it would be reflected in the budget papers and in the organisation of the government. Some people will say that although we do not have a line item called “Science”, we spend money on science across the portfolios. I absolutely agree with that and there is a reasonable amount of evidence to show that is starting to occur.

I note the \$20 million over the forward estimates allocated towards innovation—if I can get the wording correct—and identifying further proposed spending on the defence industry, shipbuilding and science. The budget papers refer to a \$50 million spend. I make the observation that that \$50 million is allocated in this budget paper, and I am sure we can point to others for this year. In previous years it was looking very sad. The evidence for that is the slow

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decline of personnel numbers in the areas the government has direct control over in providing science—or research and development, if you want to refer to it more broadly—to ensure we are pushing further and further ahead in the amount of R&D our departments can do directly for industry so that industry and science are meeting. I am looking at the full-time equivalent staff at the Department of Agriculture and Food Western Australia, no less, who have gone from nearly 600 FTE in 2012 to nearly 440 as at 2 May this year. Those FTE are the staff at DAFWA who are directly engaged in R&D irrespective of their qualification, I might add. It includes all administrative staff over five years. For five years this government has presided over a direct erosion of the government's R&D capacity. What does that mean? It means that the state's only bee specialist—there is only one—who has nearly 30 years' experience and internationally regarded, is no longer in the employment of the Department of Agriculture and Food. Once we lose one of an FTE, it is very hard to bring them back.

Soil scientists and many other people work hard to ensure that industries get cutting-edge technology to ensure they are globally competitive. The government, with its eye on the benefits of the boom being distributed appropriately for future generations, will also know that by World Bank and Organisation for Economic Cooperation and Development rankings, we are the world's worst jurisdiction for industry collaboration with R&D institutions. It is not a state ranking; it is national, but we will take our fair share. We are ranked thirty-seventh out of 37 among the world's economies for our engagement with industry, science and R&D. A government with a vision for where we need to take the state would have a view about what is required to ensure that we create all the effort needed to concentrate our meagre resources to achieve an R&D outcome to benefit jobs growth in Western Australia. The government would understand the importance of the growth of PhD holders directly employed in our industry. I am referring, of course, to the statistic that some people in this place know; namely, that PhD holders are the most underemployed group of people in industry in Australia. In the United States nearly 70 per cent of all PhD holders are working in industry. Using figures from the Australian Bureau of Statistics, fewer than 10 per cent work in industry in Australia. That is an approximate figure. In other words, a PhD in Australia means a person has a plan for a career in academia. For me, nothing more underscores the lack of foresight and vision required to ensure that they get our best, brightest and smartest people in industry, that they grow those industries and grow the jobs that are required. Part of that is also understanding the markets that we need to operate in. In my view this government has systematically failed at delivering proper market development strategies for Western Australia. There is no bigger problem than the Premier himself in understanding the diversified economy requirements in the markets. There is the old mantra: if you want to diversify the economy, you either build new industries or expand existing ones, or develop new markets or expand existing ones. Nobody in this place should need any advice from me or anybody else about the shape of the time zone in which we live. Three to five hours flying time to the north of Western Australia is nearly 60 per cent of the world's wealth, and it is growing. As I said, by 2025 to 2030 Indonesia will be the fourth largest economy. What are we doing about ensuring businesses in Western Australia are absolutely committed to the idea that their best market opportunities are with collaboration between existing competitors for a small piece of a very large pie called South-East Asia and Asia generally?

[Member's time extended.]

Mr P.C. TINLEY: The Premier does not get it. He has been on very few trips to Asia, or the region generally, to make sure that we are building the relationships we have to have with our near neighbours, and certainly in the target countries where we think we can develop markets. He has never taken a trade delegation with him. There are Premiers in this country who go nowhere overseas without a trade delegation. They are of any persuasion. When they turn up in the various locations, they know the impact that they have in opening doors and creating the networks required for businesses and enterprises of their particular states to do business.

I was recently at the Boao Forum for Asia Annual Conference on Hainan Island. It was a real eye-opener. I was privileged enough to go into the senior business leaders' forum. The senior business leaders' forum was a closed session—there was no media. Some very senior Chinese businesspeople were on one side. Some senior Australian businesspeople were on our side, including the Australian ambassador to China; the former ambassador, Geoff Raby; Nev Power from Fortescue Metals Group; the CEO of Orica; directors from the board of BHP Billiton; and on the list goes. We had a very frank and open discussion. It was quite interesting that on the table, amongst paraphernalia—the notes and so on that were there—there was one document from the government of New South Wales no less that had as its cover the single statement that it is open to \$85 billion worth of infrastructure investment, which it wants to build over there in the future. Each page of the document described the particular project, its value, the requirements for it, and who to call. These states are marketing directly to the capital of Asia and they are not frightened at all to get in there and do it.

A couple of weeks ago it was Australia Week in China. It is the biggest single trade show to showcase Australia's enterprises in China. Over 300 Australian businesses attended a week-long trade show, led by the former Australian Minister for Trade and Investment, Andrew Robb, and other federal ministers, and of course properly attended by the appropriate level of Chinese political leadership and all the other businesses. At that trade show, there were

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nearly 1 000 Australian businesses and 30 Western Australian businesses. There was any number of state ministers—from Queensland, from New South Wales, and from Victoria. However, at that trade show there was not one minister from Western Australia to do anything to build the relationships and networks to support the Western Australian enterprises that have an ambition to diversify and expand their markets to ensure they will be a relevant business in the future. The Premier does not get it. Many members opposite also do not get it. However, luckily, a small core of members on the other side do get it, and I hope they stay in this place long enough to create the critical mass required from this place to ensure that we push governments of all persuasions to take on the challenge of our growing opportunities in South East Asia. However, the Premier is not one of those people.

The Premier does not even believe that there is any value in studying an Asian language. He does not believe that people need to have an Asian language to be successful in Asia. That is an absolute crock. It is a complete and utter highlight of the arrogance of his generation to think that the world revolves around Western Australia. It might surprise members to know that the people who live north of Australia are not preoccupied with what is happening in Western Australia. Western Australia is just the shop that they come to to pick up their iron ore. We are price takers when it comes to commodities such as iron ore. We do not get to value-add to it; we just get to rip it, dig it and ship it. Members opposite do not understand that all those countries to our north are focused north; they are not focused on the 23 million people to their south who are just price takers.

The Premier was quoted in a News Corp Australia publication in November last year, and he has repeated it in this and other places, as follows —

West Australian Premier Colin Barnett has rejected a call for urgent investment in Asian language studies, believing English has already become the international business language.

Here is the kicker. The article goes on to state —

He rejects the idea that Asian language study needs to be saved from extinction.

“One of the issues is not a lack of desire ... I think the world’s becoming increasingly Western,” ...

That is the sum of the Premier’s world view. I defy anyone in this place to go to Indonesia, Vietnam or Malaysia and say that and think they will get traction on any objectives that they might have, yet the Premier of this state has said at various public forums and has been reported in the media as saying to people in Asia, “You don’t matter, because you’re all becoming westernised.” That is what he has said to people in Asia and to our markets in Asia. That is the way he treats our customers and future customers. All that does is show the Premier’s lack of vision for the need to grow the technical jobs that are required to sustain our standard of living. Everybody should be ashamed of that, and everybody should be calling the Premier to account for that, as many on this side of the house have done.

I round out my comments by saying that if we do not attend to the requirements of a diversified future for Western Australia, we are doomed to be just the trailing edge, the also-rans and the corner shop owners who hold a bit of iron ore and LNG.

Moving on to other portfolio areas, I look forward to the estimates hearings next week, particularly for the lands division. I will be very interested to understand what happened to the approximately \$220 million of forward estimates from land sales. They suddenly disappeared and I can only imagine that that thought bubble went away in a hurry when the government realised that it is not the right time to be selling property, and a couple of excursions into the area of land sales have come up spectacularly wrong. I look forward to the estimates hearings. I am particularly keen to unpack the diffuse, illogical, unfocused science spend and the research and development spend and the lack of vision in where this state is going in a diversified economy. I am particularly looking forward to seeing where all the money went.

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

House adjourned at 10.25 pm
