

APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2014–15 BILL 2014

Third Reading

Resumed from 17 June.

DR A.D. BUTI (Armadale) [12.12 pm]: I rise to make a contribution to this debate. I want to address a number of areas in my response to the third reading of the Appropriation (Consolidated Account) Capital 2014–15 Bill 2014. I might not get through all of them, but I want to address education, policing, disability services, domestic violence and courts in the justice system. Page 274 of volume 1 of the budget papers concerns the education sector. The education budget is always a stress point for any government because it has recurrent spending, obviously, and capital issues; this debate deals with capital issues. On page 274 the budget refers to “New Primary Schools” and “Additions and Improvements to Primary Schools”. It is interesting that the Minister for Local Government; Community Services; Seniors and Volunteering is not in the house. A report in one of the local papers had the big flashing headline “X amount of education dollars to go into the member for Serpentine–Jarrahdale’s electorate”. Of course, most of that was to do with the new primary schools and high schools. He forgot to mention the money that has been taken out of the education system as a result of last year’s budget cuts, but anyhow, under “New Primary Schools” there are four dot points, and the first three dot points read —

- The final stages of construction will continue on four new primary schools including Golden Bay, North Broome, Smirk Road (Baldivis) and Lakelands Primary School at a total cost of \$56 million.
- Construction will commence on four new primary schools to open in 2016 at an estimated cost of \$56 million.
- Planning will commence for four new primary schools to open in 2017 at an estimated cost of \$56 million.

The constant there is \$56 million. Are these guesstimates? It is interesting that the final stages of construction of four new primary schools will cost \$56 million; the construction of four new primary schools to open in 2016 will cost \$56 million; and the four new primary schools that will open in 2017 will also cost \$56 million. It will be interesting to find out how the amount of \$56 million has been arrived at for those three different capital works groupings. It is interesting that the final stages of construction will cost as much as the construction of four new primary schools. We talked about this in estimates to some degree with the Minister for Planning representing the Minister for Education. I asked whether these four new primary schools to open would be from K–6. It will be K–6 because the year 7 students are moving to high school. It will be interesting to see whether that is an estimate or guesstimate. Perhaps the schools that will open in 2016 and 2017 are of a lower quality than Golden Bay, North Broome, Baldivis and Lakelands, because if it is costing that amount for the final stages of construction and it is costing the same amount to complete these other schools, there would have to be some compromise in the standard of the structures. It would be interesting to get some clarification.

I raise a side point about the fourth dot point, which reads —

\$2.5 million towards the replacement of Mount Lawley Primary School.

That is due to the school burning down and the tragic situation that developed there. I ask the Treasurer to give me a bit of latitude to talk about this. It is not necessarily the government’s fault, but many of the teachers there had a very stressful time, because when a school burns down, it is not only the bricks and mortar that burn down; it is also all the utensils, the equipment and all the work that the teachers have put into their classrooms. People may not realise that teachers go out and spend their own money to buy equipment for their students to utilise and they were unable to be reimbursed for that equipment. The Department of Education said it was not their issue; it was the insurer’s issue. However, the insurer said that it was not overly interested in compensating the teachers.

The next heading is “Additions and Improvements to Primary Schools”, which regards the child and parent centres. This was a policy of the Labor Party for a long time and it is good to see that these centres are going up. I would go further in what these centres should deal with, but it is very, very important that schools are not seen only as a place that people go from 8.30 am to 3.30 pm. It is important to spend money on the construction of these child and parent centres. The model that will be used for these new centres is an improvement on the situation we have today. For people who do not really understand, these centres are places at schools where parents can come and learn about being a parent. There will be some social workers and language teachers et cetera. I think that is fantastic. I would try to make it more comprehensive so that it would be a one-stop shop for the community rather than doubling up. The welfare workers and other healthcare workers are there to service the immediate school community, but I would open that up for the broader community. That may present some cost savings in capital and recurrent funding in other health-related areas.

A report by the Curtin University showed that there is a lack of sporting facilities or ovals for people to engage in physical activity. I am not sure about all members, but I know that in my electorate there is a severe shortage

of sporting ovals. However, the ovals at the primary schools and high schools remain dormant. For the life of me I cannot understand why they should not be used for community groups. Of course, people bring up the issue of security and the fact there are children there et cetera. As I think members may understand, volume is security; the more people around, the greater security. Vandalism of the school is less likely to take place if people are there on the weekend to play sport. We would have to be more careful with the classrooms but they could be used for chess clubs or reading clubs et cetera, although a little more security might be needed then. I am sure members as old as I am will remember that many years ago high schools were used for night school classes. I do not think that happens now, or it happens very rarely.

Dr M.D. Nahan: At night almost a third of the Rossmoyne and Willetton school buildings are rented out for various things.

Dr A.D. BUTI: That is fantastic and that is what I am advocating, and I think it could happen even more often. Some schools allow the public to use their sporting ovals. We could alleviate stress for local governments by better utilising our schools and providing sporting ovals. That approach could be a discretionary revenue raiser for schools and I think that idea should be taken on board. As I said, the child and parent centres are welcome but I would go even further. I have seen the list; it is available. It is interesting that the parent centre principle is based on the Challis Early Childhood Education Centre in my area. I think it may have been the first school in Western Australia to include a parent learning centre, which has been incredibly successful. It is interesting that one of the child and parent centres the government has established will be included at the Challis Early Childhood Education Centre. It is a little confusing to now accommodate the child and parent centre given an established parent learning centre has been running for a number of years. The problem is that these centres are supposed to be utilised as a sort of feeder system to a number of schools. I do not have empirical evidence for this, but the anecdotal evidence is that people from other schools seem to be reluctant to utilise facilities at other schools, so that reluctance needs to be broken down.

Mr W.J. Johnston: Is the child centre at that school replicating services already available in the community?

Dr A.D. BUTI: From my understanding, in some cases it is. My personal point of view—it is not the position necessarily of my party or anyone else—is that these centres should be able to service the surrounding community. We have to be careful though, because, of course, community workers will not want their noses put out of joint, because they have been servicing the community for a long time, so some massaging would need to take place. Some might argue that the child and parent centres will cost a lot of money to run. It is my argument that, although it is encouraging that eight schools in the metropolitan area and two in the regional areas accommodate these centres, we need many more. I think we can provide cost savings by that school becoming the community centre. Money saved in the community service or made through the school buildings can be brought in-house for the school situation. Remember, a lot of people have contact with the school because their children go to the schools. That is something that I think could provide good synergy and economy of scale.

I move on now to the new secondary schools. A number of schools are being developed. Budget paper No 1 refers to stage 1 of Banksia Grove secondary school, at a cost of \$40 million, scheduled to open in 2015. It is interesting to know what stage 1 means. Does it mean years 7 and 8 or up to year 10? As a second-year student at Kelmscott Senior High School, I experienced a school being developed year by year. It can be quite risky and complicated for students to be at a school as it is being built. I remember sitting in the science laboratory where there were only three walls and one side of the classroom was open to the elements. It is very hard for the teacher to keep students' concentration on the Bunsen burner heating the test tube because the outside is much more interesting with the bushes and the birds and people walking past. I am interested to know what stage 1 at Banksia Grove secondary school means. The budget paper states —

Planning has commenced for the new \$61 million school in Harrisdale (formerly known as Forrestdale) ...

That was part of the Minister for Local Government's pitch in the local paper about all the new money going into his electorate for education, but, of course, a lot of it was for capital works. There is definitely a need for new high school in Harrisdale, which the budget papers indicate is scheduled to open in 2017. Does that mean for just years 7 and 8? What stage of the high school will be ready to open in 2017? That, of course, brings me to the issue of capital improvements at schools in my area. There has been talk about amalgamations or the closure of high schools in Armadale. In the estimates debate I asked about Armadale Senior High School and Cecil Andrews Senior High School. There is no doubt that both those schools need capital improvements. Unfortunately, I cannot see anywhere in the budget where any capital works have been earmarked for those schools. One wonders whether the government has grand plans to close one or both of them. I put it to the Premier last week that a report in *The West Australian* referred to closures and mergers in Fremantle and Armadale. The member for Fremantle can articulate the situation in her electorate better than I can, but the process there is much more advanced than it is in Armadale. When I put this to the Premier last week, he said

there have been no announcements about closures or mergers in Armadale. I must say, that is good to hear because at this stage neither of the school communities, as far as I am aware, wants their school to close. There is talk of Cecil Andrews Senior High School having a small student population, but as of next year it will have year 7s. It is a growing area. Harrisdale school will pick up students west of Tonkin Highway but there are also a number of growing areas east of Tonkin Highway. The government will have to be very careful about closing or merging Cecil Andrews and Armadale Senior High Schools or it may end up with a school bigger than it wishes.

It seems that the Premier is in favour of larger secondary schools. When there are more students, to some degree, a school can offer more courses, and Australian tertiary admission rank classes, especially for years 11 and 12. The other public high school in my electorate, Kelmscott Senior High School, a relatively large school with 1 300 to 1 400 students, has not been able to offer certain ATAR courses because of the budget cuts. It is interesting that when defending its education funding cuts, the minister stated that on day one of term 1, every class would have a teacher in front of it. Of course every class had a teacher in front of it, but the minister forgot to mention that classes are not there anymore because of the budget cuts. No government would be so negligent as to allow students to rock up when there was no teacher. The point is that some classes are no longer being offered because of the budget cuts. It is very important that the high schools in my electorate, especially Cecil Andrews and Armadale, are allocated capital funding because they have both done incredibly well with their limited resources to improve their physical outlook. Armadale Senior High School has a very long history of over 50 years and some now very prominent people went to that high school. There were the Marsh brothers, Rodney and Graham Marsh, of sporting fame. Frank Pyke, who tragically passed away last year, played football for Perth and became a prominent professor of exercise physiology at the University of Western Australia, and he was the father of Don Pyke, the former Eagles footballer. Another person who went to that school is an announcer on ABC Classic FM, which I am sure every member in this house listens to, especially as they drive up from Esperance—I am sure Classic FM is definitely being played. The announcer's name escapes me at the moment, but he is an Armadale Senior High School graduate.

Cecil Andrews Senior High School, which has had a much shorter life span, was opened, I think, in 1979 or 1980 by Sir Charles Court, and the Court family still provides an annual scholarship to the school. That school has also had some prominent graduates, some of whom I taught at Murdoch University and the University of Western Australia, and they have gone on to great things. Of course, the member for Forrestfield is a former deputy principal at Cecil Andrews Senior High School. Under the heading "Additions and Improvements to Secondary Schools" on page 275 of budget paper No 2, there is mention of new works and refurbishments that are happening at Duncraig Senior High School, Mindarie Senior College, Shenton College, Perth Modern School, Morley Senior High School and Mount Lawley Senior High School. I am sure they are all much needed, but I can tell the Treasurer that he should maybe have a discussion with the education minister and ask him why Cecil Andrews and Armadale Senior High Schools are not on that list of schools requiring money for refurbishment and new works.

In regards to air-cooling systems, funding of \$19.5 million has been allocated to complete the state air-cooling program announced in the 2011–12 budget. That is welcome and it will be interesting to know whether that means that all secondary schools now have appropriate air conditioning. Is that true?

Dr M.D. Nahan: Yes, I understand it is.

Dr A.D. BUTI: That is good, because Kelmscott Senior High School for a period did not have any, and as we all know, it seems that February and March are becoming quite unbearable.

Mr W.J. Johnston: In my electorate I have two primary schools with air conditioning and literally across the road another is without it.

Dr A.D. BUTI: Talk about being on the wrong side of road!

Mr W.J. Johnston: The train track.

Dr A.D. BUTI: Or the wrong side of the track!

I believe that a number of capital works to improve schools have been missed out in this budget. It would be interesting to get some clarification about why the amount of money being earmarked for these new primary schools is the same \$56 million, whether it is for finishing or actually commencing construction of primary schools. When we talk about new primary schools opening, does that mean they are opening for all years of primary school or for only the first couple of years? Also, I believe child and parent centres should be more comprehensive than they are. Greater encouragement should be given to the Departments of Education and Local Government and Communities to ensure that these schools are used for longer than from 8.30 am to 3.00 pm on weekdays; they should also be used on weekends. That will alleviate stress on local governments and provide a discretionary income source for the schools, and, hopefully, in respect of sporting facilities, or a lack of them, that will improve the health and fitness of our population, which seems to be falling further and further

behind, according to the health figures that have come out in the last couple of months. That should do me for education at this stage.

I would like to move on to disability services. Mr Speaker, could I have an extension?

The SPEAKER: No; no extensions are allowed.

Dr A.D. BUTI: So is it 20 minutes; that is it?

The SPEAKER: It is 30 minutes.

Dr A.D. BUTI: It is 30 minutes. Have I been speaking that long? I have been having fun!

The SPEAKER: It is so interesting, member, that you have lost track!

Dr A.D. BUTI: That is right; there we go.

I turn to disability services. Page 407 of budget paper No 2 refers to the two disability justice centres. I understand that one centre has only now been given official approval and the other one has not. I would be interested to get some clarification on that, because, of course, there were plans for two disability justice centres. I would be interested to know the budget allocation for both centres. If now only one is to be opened in the next year, how will that affect the capital budget for the Disability Services Commission? Some clarification from the Treasurer on that would be most welcome.

I move on to police stations and I refer to page 377 of budget paper No 2. Of course, policing is another major budget expenditure for any government and there is the need to provide recurrent funding for services. Police stations are also incredibly important and I can tell the Treasurer that if he came to Armadale Police Station, he would quickly understand and realise that it is insufficient or does not have the capacity to service the area it is servicing at this stage. The police station is in drastic need of major refurbishment or enlargement and, really, a new justice centre needs to be built in Armadale. The former Attorney General and Treasurer Hon Christian Porter for a number of years while he was in his portfolio referred, as did the current Attorney General when he took over the portfolio, to the fact that a new courthouse in Armadale was the number one priority in the budget consideration of the department for the metropolitan region. That has been the situation for at least four, five or six years, and I wonder when we will actually see any movement on that. If one goes to Armadale Courthouse on any given day, they will find that lawyers are receiving instructions from their clients and advising them in the corridor, with many people walking past, so there is no privacy. On a daily basis in Armadale Police Station people will find little children running around on the dirty floors with no play areas for them to be. One could argue that children should not be in courthouses, which may be the case, but there are and they need to be there with some of their parents who have to attend the courthouse. There is a security issue as well. About three years ago there was a trial at Armadale Courthouse for which a number of prisoners had to be brought there. I think there are only two or three holding cells at the courthouse and up to 15 prisoners were being held. I had a tour of the courthouse with staff from the justice department and they admitted that there was no way that those holding cells should have held that number of prisoners. Therefore, that is a security issue and we need to look at the building of a justice centre complex with the police station and the courthouse next to each other so that prisoners can be readily and securely moved from the police station to the courthouse and vice versa. It would be good to see action on that number one priority of a new courthouse in Armadale, as stated by the former Attorney General, the current Attorney General and the former Treasurer a couple back from the current one. I am interested to know when that number one priority will have some realisation through actual works being delivered.

In the three minutes remaining I want to look at accommodation for people affected by domestic violence. I cannot find the budget line item, but there is a severe lack of accommodation for victims of domestic violence in Western Australia. About a month ago there was the opening of a new refuge in Busselton, which was most welcome, particularly for the south west region of Western Australia. That was a government commitment that it delivered in the sense that it did open a hostel, but with fewer number of rooms or beds than it stated would be provided. Once again, the promise was not fully met; however, the hostel has been established and it is welcomed.

There is a severe lack of shelters for women who are victims of domestic violence. I thank the member for Cannington for bringing to my attention that under “New Works” at page 527 of volume 2 of budget paper No 2 are line items for the “Construction and Purchase of Houses Program” and “Crisis Accommodation Program”. Those line items would encompass victims of domestic violence. One area that is a real problem is for women who have sons over 15 or 16 years of age, as it is often a rule of shelters that they will not accommodate males over the age of 16. That is understandable because the victims living there have been subject to —

Dr M.D. Nahan: Member, what do they do in those circumstances?

Dr A.D. BUTI: That is the problem. If they cannot stay there, the children have to be split from the mother, and that is a real problem. There is also the need for larger accommodation for mothers who have a number of children. One area that might be looked at that is being utilised in Massachusetts is providing hotels with a concession if they provide rooms for victims of domestic violence.

Dr M.D. Nahan: I think you will find they do that in certain cases.

Dr A.D. BUTI: Do they?

Dr M.D. Nahan: Yes. I have a few constituents who had that done for them.

Dr A.D. BUTI: I think there are a number of measures that need to be looked into. There is definitely a massive need for an increase in crisis accommodation, especially in the domestic violence area. An issue that needs to be looked at is that of sons who are over 16 years of age and are therefore excluded from hostels—as does the issue of larger families. These issues need to be taken up in the metropolitan area and the regions. Communicare runs a program that provides males who are the abusers with accommodation.

MR B.S. WYATT (Victoria Park) [12.42 pm]: I rise to speak to the third reading of the Appropriation (Consolidated Account) Capital 2014–15 Bill 2014. These have been some interesting times in respect of the finances of the state. I think most Western Australians would have been surprised to learn from the Abbott budget that a certain percentage of seniors' concessions were, effectively, being paid for by the federal budget.

[Quorum formed.]

Mr B.S. WYATT: As I was saying for the first 10 seconds before a quorum was called, I do not think most Western Australians would have understood that a certain percentage of seniors' concessions were, effectively, paid for by the federal government. Overall the percentage is not huge, but it is a certain percentage. We now have the Barnett government saying that it is reviewing those concessions, and that we will find out the result of that review no doubt in the lead-up to the 2015–16 state budget. That highlights a broader point about understanding who is responsible for the delivery of projects and who will actually pay for them. I do not think we need to look any further to see how absurd this position has become than the 2013 state election. The election was basically fought around large transport capital works projects, with the government saying its commitments were fully funded and fully costed. In the end, we found out that when the Barnett government said “fully funded”, it meant that some \$3 billion was going to come from the federal government. The absurdity of our fiscal relationship with Canberra now manifests itself in election campaigns, in which signature election commitments made by the current government were subject to them being funded by the commonwealth government. That is the absurdity of a lack of transparency surrounding the delivery of projects and who pays for them in the end. The asset investment program is a significant investment of taxpayers' money, whether it be funded through surpluses from the general government sector or, obviously under this government, through increased borrowings in the main. The Treasurer in his budget speech stated —

This Budget provides for an Asset Investment Program of \$6.7 billion in 2014–15, with total investment of \$23.7 billion over the next four years.

There is no doubt that the capital program of Western Australia's spending over the last decade has been large. The draft “Inquiry into Microeconomic Reform in Western Australia” by the Economic Regulation Authority made that point, and broke it down into areas of spend and per capita spend over the past decade, and where it has gone. Page 41 of the report reads —

Comparison of the various inter-state Budget Papers for 2013–14 shows that capital expenditure in Western Australia is in line with the other jurisdictions as a proportion of economic activity, but is significantly higher on a per capita basis (by 60 per cent). Whilst the comparison indicates a higher rate of economic activity per capita than other States, it also reflects that the Western Australian Government is more active in more sectors of the local economy.

Pages 42 and 43 detail the various breakdowns of where the infrastructure program is being spent, and note that in Western Australia capex per capita is \$3 013. Page 43 of the ERA report includes a 10-year comparison of the WA asset investment program. It notes that the single biggest real increase has been in health, followed by electricity, and the contribution to the overall increase is, in the main, electricity. There is no doubt that there has been a significant spending on capital works. I note that the budget contains revenue and savings measures, and that a five per cent reduction in most agencies' asset investment programs has been implemented. It has been factored into the forward estimates of the budget, and the total impact of this measure is estimated at \$478 million over the four years to 2017–18. It is, therefore, worthwhile going back and looking at how the budgeted asset investment program has gone against actual. Between 2009–10 and 2012–13 there has been a significant underspend of the asset investment program—in some years significantly. For example, in the 2009–10 budget the government asset investment program totalled \$8.272 billion, but the actual spend was

\$6.828 billion—nearly \$1.5 billion lower than budgeted for. In 2010–11, again, there was a significant underspend of \$1.1 billion; in 2011–12, an underspend of \$856 million; and in 2012–13, nearly \$300 million. The difference between the budgets and actuals of 2009–10 through to 2012–13 have been large—nearly a \$4 billion underspend on the capital works budget; \$3.729 billion, to be precise. Those four years budgeted a capital works spend of \$31.176 billion, and delivered a \$27.447 billion actual spend, or 12 per cent of the budgeted capital works program not spent. The savings measure that the government now talks about, with the five per cent reduction in most agencies and asset investment programs, has effectively been built in to the budget each year since at least 2009–10, and we have had a 12 per cent underspend in the budgeted versus actual outcomes.

As has been highlighted by the Economic Regulation Authority, by KPMG in its report into the Muja AB project, and the Auditor General in his report “Major Capital Projects” of October 2012, there is a significant problem surrounding the delivery of major capital infrastructure projects. I want to remind members about the Auditor General’s report of October 2012. The report states, on page 7 —

There is limited transparency on the status of major capital projects. Parliament and the public must search various different information sources and even then may only get a limited understanding of progress against cost and time targets.

The expected cost variance of the 20 sampled non-residential building projects is 114 per cent above their original approved budget.

That 114 per cent is \$3.275 billion above the original approved budget. That is a significant divergence between what was budgeted for a project and what was delivered. The recommendations made in that Auditor General’s report are useful and, indeed, have found an echo in the Economic Regulation Authority’s “Inquiry into Microeconomic Reform in Western Australia” draft report of April 2014. One of the Auditor General’s recommendations reads —

Major investment decisions need to be well informed and soundly based. Full project budgets and timelines should only be set when project evaluation is complete and a project business case has been considered.

Given that recommendation by the Auditor General, I remind members about the delivery of the MAX light rail project. On the weekend of 10–11 November 2012, the Premier and the then Treasurer, the member for Vasse, announced that the building of MAX would start at Mirrabooka and make its way down to the city. I have made this point before; I remember the Premier on TV, advising people to buy property around Mirrabooka TAFE because that project was about to commence. I knew that the project was about to be announced, because the Bigger Picture TV ads had been designed, referring to light rail.

Mr M. McGowan: Who paid for them?

Mr B.S. WYATT: They were paid for by the taxpayers of Western Australia. The ads referred to light rail, so it had to be announced, and there was a sense of urgency because those ads were about to start on the Sunday that MAX was announced, so out rushed the Premier and the Treasurer to announce MAX. Then, on 3 September—I apologise; the announcements must have been made on 1 and 2 September—the then Treasurer, the member for Vasse, was interviewed on a 720 ABC radio program to answer questions on the MAX announcement. It was a significant announcement, and deserved to be talked about. The radio interviewer put the question to the then Treasurer: how are you going to pay for it? The answer from the Treasurer was, “It’ll be paid for by—I’m assuming, or I imagine ...” Before the Treasurer could complete his answer, the next question was, “Has cabinet endorsed it?” to which the Treasurer replied that he did not know. When asked how long it would take, the Treasurer said, “12 to 18 months, I’d imagine.” Members should bear in mind that this was announced in September 2012, and the then Treasurer and Minister for Transport was “imagining” that MAX would be completed by late 2013 to mid-2014. I also remind members of the Auditor General’s recommendation that —

Major investment decisions need to be well informed and soundly based.

The then Treasurer was then asked how much MAX was going to cost, to which the very well informed Treasurer replied, “I think it will be over a billion dollars or at least a billion dollars or more than a billion dollars ...”

We wonder, then, why MAX—fully funded, fully costed—as announced on 2 September 2012 to be completed by late 2013, mid-2014, has now been pushed off to a decision post-2017. We also wonder why the taxpayers had to pay for the TV commercials announcing that MAX was going to happen. Indeed, if we go to the website even now, it tells us that it is happening! I also again remind members that the Auditor General’s report was tabled in this Parliament in October 2012, at about the same time that the then Treasurer was “imagining” the

cost of MAX, and because of the 114 per cent blowout in capital works projects, the Auditor General recommended that —

Major investment decisions need to be well informed and soundly based.

I return to what I said at the beginning of my speech: we now have an absurd situation in which election promises are made by state governments on the basis that they are going to be paid for by another government. That is how crazy the fiscal relationship has become, and that is apparently going to become the accepted way of going about the delivery of major capital works programs. In Victoria, the state government promised a major roadway across Melbourne while the federal government promised a major railway across Melbourne. It has become ridiculous, and nowhere is that highlighted more obviously than in the MAX project.

I bring members back to the ERA draft report into microeconomic reform in Western Australia I referred to earlier. I quote from a boxed paragraph on page 55, titled “2014 Election commitments for public transport projects”. It states —

In the 2013 State election campaign, the Liberal Government promised two major multi-billion dollar public transport projects, the \$2 billion Airport Rail Link and the \$1.9 billion Metro Area Express (MAX) Light Rail Project. Both projects were then included in the 2013–14 State Budget. The MAX Light Rail was subsequently deferred for three years in the 2013–14 Mid-year Financial Projections Statement, in order to reduce the pressure on net debt.

I do not know why there would be pressure, in light of “fully funded, fully costed”, but anyway. It continues —

A business case for the MAX Light Rail project has been completed by the Department of Transport including detailed CBA which was subjected to rigorous independent scrutiny from Infrastructure Australia. The CBA outlines a range of patronage and demographic assumptions, showing an aggregate (and independently verified) net benefit. The business case has not been made public.

A business case is yet to be finalised for the Airport Rail Link project.

It is therefore not clear on what basis Government has given the Airport Link priority over the MAX Light Rail Project.

That is an extraordinary little box in the ERA’s report, bearing in mind that the Treasurer and Minister for Transport was, in September 2012, “imagining” the cost of MAX. It is clear that the work has been done—even though it has not been released, the Economic Regulation Authority has had a look at it—yet the government makes a decision about the priorities, despite going to the election and saying that both would be done and operating by 2018, and walks away from both of those fully funded, fully costed promises.

Again, I come back to what the Auditor General said way back in October 2012 —

Major investment decisions need to be well informed and soundly based.

The Auditor General had already made that point in his conclusion, when he said —

There is limited transparency on the status of major capital projects. Parliament and the public must search various different information sources and even then may only get a limited understanding of progress against cost and time targets.

We cannot continue to deliver major capital works this way. At the very least, we know that Infrastructure Australia has provided rigorous independent scrutiny of the Metro Area Express light rail. Despite the government saying that the airport line committed to in the election campaign was fully funded and fully costed, we now know that the transport minister is looking at four different routes. We do not know whether the fully funded, fully costed route is one of them—I assume so—and that is why the Auditor General has made these sorts of recommendations.

The second recommendation made by the Auditor General, at page 9, was —

Government should consider options to provide regular and enhanced reporting to Parliament on the status of major capital projects.

Interestingly, I watched the New South Wales budget get tabled. It is now going through the New South Wales infrastructure body for analysis of relevant projects to be delivered. This is the reason why the Labor Party took to the last election the development of an equivalent body, Infrastructure Western Australia, so that we could do the sort of analysis that clearly has not been done in government; it has never been done. But the fully funded, fully costed promises were made during the election campaign, and we get these sorts of things from the Auditor General highlighting 114 per cent cost blowouts.

There were a number of agency responses to the Auditor General's report, which I again note was tabled in October 2012. I want to quickly focus on the Department of Treasury for a minute. I am again quoting the Auditor General, who stated —

The Department of Treasury strongly supports the audit recommendation that capital works asset investment decisions by Government need to be well informed and soundly based. In this regard, since 2009, the Departments of Treasury and Finance have collectively and actively sought to improve the planning (particularly) and delivery of capital works projects through application of robust asset management practice in accordance with the State Government's Strategic Asset Management Framework.

Now I come back to the ERA report on the state government's strategic asset management framework. I have talked on this at length over the past week or so. This report is very much worth reading by all members. Chapter 4 is on infrastructure and outlines the importance of infrastructure as a productivity enabler. I have already gone through some of the statistics that the ERA went through on the asset investment program in Western Australia over the last decade. The ERA highlights the challenge of government now in light of the downgrade of the AAA credit rating. Again, I remind members that the Auditor General said —

... delivery of capital works projects through application of robust asset management practice in accordance with the State Government's Strategic Asset Management Framework.

The ERA report states, at page 47 —

There are a series of strong institutional and governance arrangements and processes in place in Western Australia to guide the provision and delivery of the State's public infrastructure. However their application in practice remains at the discretion of the government of the day and evidence reviewed in the course of the inquiry shows that these arrangements and processes are not always followed. The risks from failure to follow good practice can be expensive and enduring, with the reverse also true.

The ERA is saying that the government has the strategic asset management framework, and the range of good governance practices is strong and good. Unfortunately, the government does not follow them. The ERA made this point in particular in respect of a couple of examples. I want to quote from page 50 of the ERA's report. It states —

The ERA notes, notwithstanding these requirements, successive governments and their agencies do not always have strong incentives to comply with the SAMF.

That is, the strategic asset management framework —

Political imperatives often cause projects to be rushed through proper planning processes, with the result that project outcomes are usually materially compromised. Examples provided throughout this report include the Muja AB Refurbishment in the context of the Varanus Gas Explosion the Banksia Hill Detention Centre Project in response to an election commitment and the "parallel planning" approach adopted to hasten delivery of the Fiona Stanley Hospital.

I will say that one sentence again —

Political imperatives often cause projects to be rushed through proper planning processes ...

I refer, for example, to the looming deadline of a television advertising campaign. With the looming deadline of the Bigger Picture TV ads, the government rushed out on 2 September 2012 to announce MAX. As I said, the Premier stood there on TV, advising the viewers to buy a property now in Mirrabooka, next to Mirrabooka TAFE, I think—Madam Acting Speaker (Ms J.M. Freeman) would know—because it is coming. A day later on radio, the Treasurer said that he imagines what the cost will be. He said —

"I think it will be over a billion dollars or at least a billion dollars or more than a billion dollars ..."

And the Treasurer imagined that it would be delivered in the next 12 to 18 months. The reality is that he had no idea, because at that point the planning for MAX had finished with the preparation of that TV advertising campaign. No wonder the Office of the Auditor General was making these sorts of findings in its review of the major capital projects. The ERA has gone through 15 different Auditor General examinations involving infrastructure planning in WA since June 2009, and they were found wanting on many different levels. If members are interested, at page 51 of the ERA's report, table 9 is very useful. Firstly, the entry for June 2009 refers to maintaining the state road network. The relevant finding states —

Main Road lacks key information about the condition of the road network making cost effective prioritisation of maintenance difficult to achieve.

I will not go through them all; there are 15. I refer to the finding on the Fiona Stanley Hospital project at June 2010, which states —

The planning phase was neither efficient nor effective. The project business case and other key planning documents had significant gaps which required time and resources to fix. The project lacked robust financial and project management systems. Health should ensure that future projects conform to the SAMF. The use of parallel planning process rather than SAMF's sequential one delivered an unacceptable business case with substantially underestimated scope and budget

I have previously spent some time in this place going through the problems with the public sector comparator and how risk was allocated to information technology, as found by the Public Accounts Committee.

In August 2010, the finding is on fitting and maintaining safety devices in public housing, and states —

The Housing Authority property information is often unreliable posing deep systemic problems and a structured project management and reporting framework was lacking for the safety device program.

For October 2010 the table lists a report on ICT procurement in health and training. I remember this one. The relevant finding reads —

Good governance and planning are critical to successful ICT procurement and both have been poor in the case of Health, which has been consistently unable to provide a suitable business case

For June 2011, "Public Sector Performance Report 2011", the finding reads —

Five out of nine assessed agencies did not follow good practice principles to strategically manage procurement resulting in failure to identify opportunities to get best value for money

The findings are similar for September 2011 and September 2012, the public sector performance reports that highlight the Housing Authority's head contractor maintenance model and information and communications technology projects. I have referred to the Auditor General's report on major capital projects in October 2012. For April 2013, the report is titled "Room to move: Improving the Cost Efficiency of Government Office Space" and reads, in part —

Only 35 per cent of government agencies had provided 10-year Office Accommodation Plans as required under SAMF.

I have gone through the reports on the Banksia Hill Detention Centre project, Western Power's management of its wood pole assets, and Water Corporation's management of water pipes—and so it goes on. I previously referred to KPMG's "Muja AB Project Assessment". That project was identified in particular and singled out for critique by the Economic Regulation Authority. KPMG noted —

While the Project had the appearance of a 50/50 JV, the true value of ... each party's contributions, combined with the contracting, financing, and guarantee arrangements, created an asymmetric risk profile between the parties, with Verve —

That is, the taxpayer —

bearing a disproportionate share of the risks.

Capital works as identified by the Treasurer in his budget speech are a big spend, not just in each budget year but across the forward estimates, despite the 12 per cent under-spend between 2009 and 2013 that I identified. Some \$4 billion was budgeted for, but was not spent. We have a problem with the delivery. That is a combination of things, but largely because, as the ERA says, the government has good governance principles; it just does not follow them. The ERA highlighted Metro Area Express light rail, Muja AB, parallel planning for Fiona Stanley Hospital and the airport rail line—and so it goes on. I want to come back to that point. Ultimately, until the Western Australian government works out responsibilities between this state and the federal government, we will have more of these absurd situations in which state governments promise things on the basis that someone else pays for them. When MAX was announced, Mr Buswell said that he imagined it would cost \$1 billion. It had not gone to cabinet, but he said it would be finished in 18 months. We will have more of these reports from the Auditor General critiquing capital works programs going forward, unless the government starts to take the findings of the Auditor General seriously and actually relies on the evidence that should promote whether a particular large scale capital works program is built.

MR M. MCGOWAN (Rockingham — Leader of the Opposition) [1.13 pm]: I rise to speak on the Appropriation (Consolidated Account) Capital 2014–15 Bill 2014, and I endorse the remarks of the shadow Treasurer, the member for Victoria Park. There is no doubt that governments in Western Australia in my political memory over the last 22 or so years have all run fairly significant, by national standards, capital works programs. If we compare the capital works program in Western Australia of the last three governments—conservative, Labor, conservative—by dollar figure per person, the expenditure in Western Australia has been significantly higher per person on capital than the national average. That probably reflects the fact that WA is a growing state, a large state, with large growth organically in its population, with immigration both from interstate and overseas. We require that significant capital works program and also the rapid expansion in not only Perth but also the mining industry around this state. Western Australia now has a larger capital works

program. I want to talk about the threats to that program. This government is running, as I said—as did the Court government and the Gallop and Carpenter governments—large capital works programs. Each government runs a bigger capital works program than the one before. That is a fact. This government’s program is larger than the capital works program of the former government, but then again the receipts of this government are now about 52 to 55 per cent higher than the receipts of the last Labor government, so naturally we will have a significantly enhanced capital works program simply because a lot more money is coming in. There is more demand because of the larger population, with population growth running at three to four per cent, and the natural demand for capital works as a consequence of that.

The threats to the program are threefold. First of all, if the government is going to run a large capital works program, it needs to run large budget surpluses, otherwise all it does is rack up debt. The government needs to run large budget surpluses. The first threat to the capital works program and everything contained in this bill and in election promises is the fact that the surplus is small, verging on tiny. If there is any shock to the surplus, the natural consequence is a cut to recurrent or capital expenditure or an increase in debt or revenue measures—by that I mean tax increases. They are the policy options.

The second threat, on top of the small surplus, is a commonwealth government that unilaterally cuts expenditure or grants to the state. If the commonwealth government does that, we will have a consequent impact on the state budget and that has to flow through somewhere.

The third threat is wildly optimistic assumptions around royalty prices. I spoke about this yesterday, and I will again today. According to the budget, Western Australia will receive around \$6.2 billion in royalties. It is the greatest royalty take in the nation. Royalties have increased by around 300 per cent. Royalties were around \$2 billion when this government came to office; they are now up to \$6.2 billion. When we look at the overall budget of around \$27 billion, \$6.2 billion is a massive component. It is the biggest single revenue source in the budget. Around 20 per cent of the overall budget is royalty take from our mineral and petroleum wealth. Ninety per cent of the royalties are iron ore royalties, and \$5.6 billion of next year’s budget comes from iron ore. The royalties secured from the iron ore miners, overwhelmingly in the Pilbara of Western Australia, is \$5.6 billion of a \$27 billion budget. It is a massive proportion. When the government relies so significantly on that revenue, it has to make sure that its assumptions about that revenue are robust—otherwise it will be a shock to the system. The only way the government can cope with the shock of a decline in revenue without excessive pain is to run a large surplus as a buffer against the decline in the iron ore price. Over the last six years we have seen surpluses diminish and diminish, despite a 52 to 55 per cent increase in revenue. Over the last six years this huge decline in surpluses has been matched by huge increases in revenue and a big capital works budget.

What is the natural consequence of running a small surplus and taking a hit to iron ore revenues? The government will go into deficit, rack up more debt or, to avoid that, cut expenditure, probably in essential areas, or put in place revenue measures—by that, I mean tax increases. There already have been a bunch of tax increases in and cost-of-living pressures applied to the ordinary family’s basket of goods and services. We have seen that already, but we will have one of those things if the continuing trajectory of iron ore prices continues. I will quote the budget papers because I want members to understand what the government has done to iron ore revenues—and it is not as though the government did not know. The first sentence of page 114 of budget paper No 3 states —

The iron ore price has become highly volatile after the annual benchmark pricing system ... broke down over the period 2008 to 2010.

The key words are “iron ore price has become highly volatile”. Further into the budget paper, at page 116, it states —

In the short-run, prices are expected to remain volatile.

Standard and Poor’s report last year warned of this very thing. Treasury states in the budget papers that the iron ore price is “highly volatile” and makes other statements. Remember that when governments say, “These are Treasury figures”, Westminster accountability means it is the Treasurer’s assumptions. The government cannot disown the budget document. It is the government’s document and it assumes a highly volatile iron ore price. But at page 114 it states —

... these fluctuations are expected to smooth out over the longer run.

It states earlier on page 114 —

The Department of Treasury forecasts the benchmark iron ore price over the budget period by assuming that the price declines in a linear fashion from a starting point price assumption to a long-term price assumption.

It also assumes, as it states on page 116, that —

Over the long-run, iron ore prices are expected to gradually ease as additional low-cost output from Australia and Brazil comes on stream.

The budget paper makes some assumptions about the iron ore price declining gradually and that there are natural stabilisers in the system, particularly between Australia and China, that will ease any significant declines. I put to the house that that is a big assumption. Every dollar the iron ore price declines is a \$45 million hit to the budget. To assume, as the government has, that these natural stabilisers will kick in and, therefore, everything will be all right, mate, in the long run is a big assumption, but that is the government's assumption, and it has predicated a tiny surplus on that assumption. The government has said, "We need to produce a surplus in the budget. Everything will work out in the long term, so let's put in an iron ore price that gets us there, and it'll be all right after that." Guess what has happened? The government's assumption on page 113 of budget paper No 3 is that the headline iron ore price is \$122 a tonne and the effective iron ore price, the free on board price, is \$111 a tonne. That is the government's assumption. Further down page 113 it states that the budget is predicated on the f.o.b. figure, which is \$111. There is some debate around that, but I will quote what it states —

The iron ore 62% spot price, which is inclusive of cost and freight from Australia to China, is used as the benchmark series to derive the effective iron ore price assumptions. Iron ore royalty revenue is based on the FOB price, which is calculated by subtracting the cost of freight from the benchmark CFR price.

Therefore, at page 113 it is stating that it is the \$111.03 figure. Guess what iron ore was trading at yesterday? It was trading at \$89 a tonne. That is a \$22 differential. If one accepts the headline price as being the price upon which the budget is predicated, \$122, there is a \$33 differential. The entire budget assumes little volatility in the price, because it all stabilises over time, even though the budget papers say that the iron ore price has become highly volatile. The government's document contains contradictory explanations. Let us say that the government is assuming that the iron ore price for the next financial year is \$111, yet currently it is \$89. It may not continue at \$89 and maybe it will increase to \$100, but that is still an \$11 differential. That is a \$45 million hit to the budget per dollar price difference. We are looking at, combined with the commonwealth cuts to Western Australia and combined with the iron ore price, a loss of hundreds upon hundreds of millions, possibly \$1 billion, in revenue in the next financial year, and the government has a \$175 million surplus. It would be totally manageable if the government was running the \$2 billion surplus that Labor was running, but because the government's surplus is so tiny and because the government has not put into its assumptions the big cuts to commonwealth funding and because it has assumed that despite acknowledging the highly volatile iron ore price, the government's surpluses are too small, and it is of its own doing over the last five and a half to six years. The government has run down the surpluses and, therefore, a potential financial calamity is approaching Western Australia. The government is simply cruising along as though there is nothing to worry about. The opposition will continue to hold the government to its election promises; they were fully funded and fully costed, after all. Bear in mind that when the government puts a budget document out that has such optimistic assessments about revenue from the state's biggest revenue source—that is, iron ore royalties—the opposition holds the government to that as well.

I expect that when the midyear review comes down there will be significant changes to this budget in light of this figure and in light of the commonwealth's approach to Western Australia. I expect the government will use all the excuses it normally uses, such as the GST, which the Liberal Party signed Western Australia up to on its current terms and conditions and which people such as Julie Bishop and Mathias Cormann said Tony Abbott would fix, but he has not. I expect the government to roll out those excuses, but those excuses are wearing thin, because it is of its own doing. When the government had the chance to fix it, it did not. This will be a big problem if this continues. I expect that the iron ore price of \$89, as it was yesterday, will climb; but I do not think it will climb to the headline figure of \$122 a tonne. It will be somewhere in between and we will have a significant financial issue. The government put these figures in the budget. These are the government's figures; therefore it has failed to budget for this problem that is rapidly approaching Western Australia. That is a failure in budgeting and it is a failure in financial management. That will impact the capital and recurrent programs, as we know, and no doubt we will see further slippage in all of those fully funded, fully costed promises that were made before the last state election.

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [1.31 pm]: I thank Madam Acting Speaker (Ms J.M. Freeman) for the opportunity to speak on the third reading of the Appropriation (Consolidated Account) Capital 2014–15 Bill 2014. I will talk about a couple of key issues related to the health portfolio that touch upon my interest in science, but I will also talk about a couple of issues that affect my electorate of Kwinana. In the overall health capital expenditure, we see opportunities slipping through our fingers. Although the investment in health capital infrastructure is healthy, it is nothing extraordinary. By and large, the investment in health infrastructure is essentially an extension, or a continuation, of the vision that was created by the previous Labor government under the Reid review. The Reid review pointed to another significant

reconfiguration of hospital infrastructure, particularly in Perth. This was done at a time when there was an unprecedented level of investment in our remote medical facilities. For instance, there was not a single medical outpost or hospital in the Kimberley that was not either rebuilt or substantially redeveloped under the previous Labor government. I acknowledge that this government has undertaken some significant developments in capital expenditure in health, but they are nothing remarkable in the context of the Reid review. If the Labor Party found itself on the treasury bench continuing with the Labor program under the Reid review, we would be in a similar space. We would see the development of Fiona Stanley Hospital and the development of a new children's hospital on the site of the QEII campus. Let us not forget, while we are at it, that the new children's hospital was promised for 2014—developed solely with private sector funding. It was to magically appear by 2014 if the Liberal Party was elected to government. It was elected to government but, sadly, it did not see fit to keep that promise.

There is nothing remarkable about the investment in hospital infrastructure in Perth. It is perhaps remarkable by Australian standards and it is certainly remarkable by world standards, but by Western Australian standards it is simply an extension, or a continuation, of the vision that was carved out by the previous Labor government. I will look at the key aspects of that. Fiona Stanley Hospital was of course designed and paid for by the previous Labor government, the cost to shift Royal Perth Rehabilitation Hospital to the Fiona Stanley Hospital site was paid for by the Rudd federal Labor government and the redevelopment of Midland Health Campus was half paid for by the Rudd–Gillard Labor governments. The Barnett government continues to pat itself on the back but has nothing to really claim as an extraordinary achievement of its own in the development of hospital infrastructure. In some cases it has been done in a fairly competent fashion, but certainly it is nothing remarkable.

It is fair to say that the Nickol Bay Hospital in Karratha was a project that the Labor Party had not envisaged, and I give credit to the government for taking on that hospital project. Initially, a good amount of money was spent on Nickol Bay Hospital but for some reason, which the government is yet to clearly explain, the government now wants to move that hospital to the new Karratha hospital site, which, I might add, will involve significant elevation to get it above the high-tide mark in the event that Karratha is inundated with a storm or a cyclonic event. The patch of dirt that Karratha hospital is tagged to be developed on sits about 1.2 metres below the high-water mark. From that point of view, significant work needs to be done in the context of the third reading stage of the capital component of the bill. That will add to the cost of that development.

It is true to say that royalties for regions has provided an opportunity to do a couple more country hospital infrastructure projects. We can get into a philosophical discussion about what could have happened if the National Party had decided to throw its lot in with the Labor Party, but all is not rosy with the royalties for regions program. A number of items of expenditure have been delayed under the North West Health Initiative, one of which is Karratha hospital. The redevelopments that were supposed to take place at Paraburdoo and Tom Price, which were much heralded by the member for North West Central, have been pushed off. We now see the government walking away from its election promises for the North West Health Initiative. We should not be surprised by that. We know the Liberal Party and its friends the Nationals lie constantly about these sorts of things at election time. They went to the election saying one thing about the North West Health Initiative and then discovered, remarkably so, that their fiscal mismanagement finds them having to walk away from a lot of those commitments. That is a point we will remind the community about come the next election in 2017.

There is a significant investment of funds in our hospital infrastructure in the metropolitan area but there has not been an extraordinary effort from this government. The mismanagement of the Fiona Stanley Hospital project continues to have an impact right across the health portfolio. We are seeing not only significant costs associated with the reconfiguration of health services in the South Metropolitan Area Health Service, but also significant cost blowouts at Fiona Stanley Hospital associated with the shambles that is the implementation of the government's IT policies. There is a ridiculous ad hoc approach to IT inside the health department whereby there is a separate system in established hospitals but we are looking at a bespoke system of information and communication technology at Fiona Stanley Hospital. Some replication of that has been tried at the new Busselton health campus—speaking of hospitals below the high-water mark. An off-the-shelf IT product has been purchased for the new Perth Children's Hospital. What an extraordinary mess! We have contracted consultants commanding six-figure salaries to crawl all over the Health Information Network and health projects in the information and communication technology area to get this right, yet we seem further away than ever in actually understanding, firstly, the needs of the hospital system; secondly, what is the appropriate response; and, thirdly, the implementation of that response. It is not surprising that the midyear review referred at length to the blowouts in the cost of IT at Fiona Stanley Hospital. We have also seen how those figures have impacted upon this budget. I should also say that one of the implications of stuffing up IT at Fiona Stanley Hospital is that the paperless hospital that the minister was very pleased to trumpet and herald at the beginning of the project is now not coming to pass. If we design a hospital that is not supposed to have paper in it and then make a policy correction towards the end of the construction process, we have to discover cupboards, records management and storage facilities and we have to reconfigure the whole way in which we undertake that paper flow. We now

have this retrofitting of a paper-rich environment at Fiona Stanley Hospital in which once before there was not supposed to be paper. Cupboards have to be installed in offices that previously did not anticipate needing cupboards. Whole record management units have to be created and storage found in an area in which it was previously thought they would be held in a digital environment. The minister is yet to provide the costs associated with retrofitting records storage, the implications of reverting to a paper-rich environment and how that will impact upon the delivery of services at Fiona Stanley Hospital.

There are other implications associated with the IT blowouts at Fiona Stanley Hospital. In an increasingly tight fiscal environment, the government realised that it stuffed up the state's finances, so therefore it cannot throw money at the problems as it previously did. If it is going to pay extra for IT at Fiona Stanley Hospital, it should not spend money elsewhere. It has come to pass that a range of expenditure has been deferred and another aspect of expenditure has to be cancelled altogether. Let us look at that. In terms of the asset investment program, a deferral of expenditure means that \$25 million will not be spent at Sir Charles Gairdner Hospital for capital expenditure; Bentley Hospital will miss out on \$5 million; and Kalamunda Hospital will miss out on \$5 million as well. In addition, we have the pre-prioritisation—that is, the things we are not spending money on at all—including: \$14.3 million for the Osborne Park Hospital reconfiguration; \$3.7 million for the Joondalup Health Campus redevelopment; and \$500 000 for the Princess Margaret Hospital for Children works provision. The \$3.7 million for Joondalup Health Campus redevelopment stage one was taken out simply because of the efficiencies that were found in that construction process, so there is no effect there. We were told in estimates that the \$500 000 from Princess Margaret Hospital works provision is simply for ongoing maintenance work that will now not be undertaken because we are anticipating the new Perth Children's Hospital will come into effect. To a certain extent, it is difficult to judge what the implications of that will be. The \$14.3 million redevelopment of Osborne Park Hospital was for the extension of mental health services at that hospital, which has been on the government books for as long as I have been in Parliament. That is one of the areas that I particularly wanted to focus on. For the benefit of members assembled, the reason we were spending money at Osborne Park Hospital to extend its mental health facilities was explained to me during the 2009 estimates. It was so that we could continue to redesign and redevelop the wards at Graylands Hospital. Graylands Hospital is a very old facility. The staff who work there do an amazing job working in an environment which is, quite frankly, confronting and old and, I suspect, it significantly impinges upon patients' rights to liberty that we have taken away. We have a very high moral obligation to ensure that we look after them. The Minister for Mental Health explained to me in 2009 that that money was intended for the redevelopment of Graylands. That was further reinforced in 2010, 2011 and 2012. In 2013, the Minister for Health expressed some embarrassment during estimates that it had taken so long, because each year the money that was set aside for that redevelopment would be deferred. While we continue to defer the expenditure in those two facilities, the patients who sit in that hospital, in what I would call wretched conditions in some cases, continue to endure those conditions. While the government decides that this is not a priority, these patients continue to suffer.

I was alarmed to see that the money that was set aside for Graylands Hospital was taken out of the midyear review. I was absolutely appalled when I saw that the government took the money out of the 2014–15 budget for the redevelopment of Osborne Park Hospital as well and left a mere \$600 000 for planning the redevelopment of Graylands Hospital. The government has had six years to plan and contemplate how it will relieve the plight of those patients. It has had six years to respond to its moral obligation of looking after those patients, the most vulnerable people that we have in our care. It has had six years to think about how it will do that. Over six years we have seen two ministers, two mental health commissioners, one acting mental health commissioner and all the subsequent chest beating about what a great job the government is doing in this space. It has had six years to fix this problem and it has resolved year after year to put it off another year, except this year, when it has resolved once and for all to ignore those patients forever more. I find this absolutely unforgivable.

I also find it galling that when I got angry during the estimates—I probably got angry about this issue in the past three or four years—this sad excuse of a Minister for Health had the gall to look around with a smirk on his face, much as he did now, suggesting that I was somehow doing it as some sort of performance for the cameras in the chamber. What a pathetic response from a minister who is responsible for the care of these people to turn around and pretend that this is somehow a joke and that the plight of those people at Graylands Hospital is something to be made light of. It was a similar smirk that the member for Swan Hills has on his face at the moment.

Despite the needs of these patients, despite the moral obligation on us to look after these patients —

Mr F.A. Alban: I am just remembering the No Privatisation of Midland Health Campus Bill that you were very outspoken about that has not happened.

Mr R.H. COOK: It has, member.

Mr F.A. Alban: I smile every time you open your mouth. At least it's better than scowling.

Mr R.H. COOK: We are all familiar with the member for Swan Hills' very poor grasp of basic public policy issues, in particular the way in which he is intellectually challenged when trying to understand policy responses.

Mr F.A. Alban: Any time that you want to measure yourself against me, you are welcome to, member.

Mr R.H. COOK: The member should kindly stay out of this debate because he does not understand what we are talking about. Just sit there and be quiet and we will continue to debate a serious issue. We are talking about a serious issue.

Several members interjected.

The ACTING SPEAKER: Members!

Mr R.H. COOK: The government has fundamentally failed in its response to these particular patients, fundamentally failed in its moral obligation to health and fundamentally failed in planning for the appropriate accommodation for people with acute mental illnesses—a point the member for Swan Hills thinks is funny. I once again call on the government to consider the plight of the most vulnerable in our health system. I call on the government to respond to its moral obligations to people with mental health issues and to meet the demands of redeveloping Graylands Hospital so that the staff can work in conditions that are appropriate for their profession and the patients can be accommodated in a modern facility that provides them with the level of care that we are duty bound to provide.

I want to turn briefly to the new Perth Children's Hospital. I noted the other day that the Minister for Health planted a tree on what he considered to be the top floor of the hospital. He might as well have planted a white flag. Although the minister thought he was celebrating the final pour, he was actually signalling the shortcomings of this government in developing that hospital. There is not a clinician in Western Australia or a parent of a child with a chronic illness who does not believe that the government should create greater capacity in that hospital. At the end of last year, parents pleaded with the government to build an extra floor on the hospital, because they understood that it would not meet the needs of the community going forward. Parents and senior clinicians said that the new children's hospital would not have the capacity to meet the needs of the growing Perth population in the future, yet the government ignored their pleas. The government did not completely ignore their pleas. Firstly, it pretended that there was no problem with the capacity at that hospital. Then, when the minister was overwhelmed by the protestations of the parents and families of children with chronic illnesses and when he was overwhelmed by the advice of his senior clinicians, he said that he would find extra space. So he decided that an extra 24 beds, which were not needed previously, should be provided at the new children's hospital and then he said that everything was fixed. Of course, we know that it is not fixed. Just because a bed is jammed into a space that was previously going to be storage or a lounge for parents of sick kids, it does not mean that the capacity issues at the new children's hospital have been resolved. We know from the government's own figures that that hospital will reach capacity within five years. All this is predicated on the faith that the government has that parents will not take their children to this hospital. It is hoping like hell that parents will take their sick kids elsewhere, not to the premium children's hospital.

We know that the government has failed to develop the capacity in the hospital to meet the needs of a future Perth population. We know that in five years it will reach capacity and we will confront yet again the issue of what to do with paediatric services in Western Australia. Future generations and future governments will have to deal with the inadequacies of this government's provision at the new children's hospital. Although this government continues to pat itself on the back for the development of this hospital, it has failed to meet the needs of the Perth population in the future. It is also true to say that a lot of the capacity issues around which the modelling for the hospital was done is based upon what is considered to be the model size for children's hospitals around Australia. As we know, children's hospitals in the eastern states are within a short flight of other children's hospitals. For instance, the new children's hospital in Melbourne is within a short flight of children's hospitals in other parts of Victoria and also in Sydney. However, the new children's hospital in Western Australia has to be a stand-alone facility that has the capacity to meet the needs of not only a population the size of Perth, but also an isolated population, and therefore the capacity needs to be above what is usually considered to be appropriate for a population of this size.

I will spend the last five minutes of my contribution today on the capital works in the science portfolio and briefly on Kwinana. In the estimates hearing on the science portfolio, we heard an admission from the Minister for Science that Scitech did not want to move to the new site in Burswood, and therefore the \$18 million that was promised at the election had not been exercised in the context of that capital expenditure. As we know from the evidence provided by the Minister for Science, Scitech would like a more central location for the venue, and I think that is a wise move on its behalf. I thought it was wrong for the facility to be isolated in Burswood, next to a casino, when we consider the values of Scitech and the way that it can reach its audience. What we need to see from the government is how it is deliberately moving forward to find a new location for Scitech. We know that the government is supportive of Scitech finding a new location, but I do not think it is good enough for the

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Dr Tony Buti; Mr Ben Wyatt; Mr Mark McGowan; Mr Roger Cook

government to simply sit by passively and wait for Scitech to come to it with a particular proposal. It is important that the government shows that it is leading that particular charge to help Scitech find a location. It is good to see the minister nodding in relation to this. I might venture, Minister for Science, that the original contribution that the Liberal Party committed towards a new site for Scitech will not be adequate given the costs associated with that.

Mr C.J. Barnett: We never committed to 100 per cent of the cost.

Mr R.H. COOK: No; I understand that, but I am saying that I do not think the \$18 million previously committed will be a significant enough contribution. It would be sad if we developed a facility for Scitech that did not meet world standard, because many of the exhibitions that are not only staged there, but also developed there, are of a world standard. It would be a pity if we cut our cloth to meet the cost of that facility rather than say that we want a facility of this particular standard in this particular location and we will be part of that solution. What I think we have from the government is a remarkably passive approach to that particular issue and to what should be a showcase for our science and technology vision for the future.

Kwinana is very quickly becoming an increasingly growing area expanding at an extraordinary rate. The needs of young families moving to the area are very high in the education and schooling development in the area. I was particularly disappointed to see that the government has made a small effort to develop new primary schools. From that point of view, I was very saddened to see only two schools that we could consider are within the catchment of the district are being considered by the government, one of which was in Baldivis.

Debate adjourned, pursuant to standing orders.