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# ASSET SALES — FREMANTLE PORT

Matter of Public Interest

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

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

MR M. McGOWAN (Rockingham — Leader of the Opposition) [3.07 pm]: I move —

That this house opposes the sale of Fremantle port.

Last weekend at the Liberal Party state conference, we saw the Liberal Party in full flight, with senior members of the Liberal Party congratulating themselves on the outstanding jobs they claim they have done. We also saw personal attacks launched by the Premier and senior ministers in the Liberal Party. Meanwhile, out in the real world, as opposed to the dream world in which Liberal Party ministers and the Premier live, this is the reality of life confronting Western Australia today on this government's watch: the worst ambulance ramping on record; the worst methamphetamine crisis in the history of this country; asbestos riddling our new Perth Children's Hospital; a serious repeat paedophile on the loose in the Premier's own electorate, about which the government does nothing; the worst debt on record in the history of this state by multiples, by 1 000 per cent; the worst deficit this state has ever seen or could ever have imagined seeing; the worst congestion crisis our city has ever seen; the highest number of Western Australians out of work in the history of this state; bankruptcies the length and breadth of the state and huge concern in the business community about the state of the state's economy; a mining tax proposition put forward by a partner in the coalition government that would involve the ripping up of state agreements—indeed, today large employer BHP Billiton has an \$8.3 billion loss hanging over its head—and mass confusion within the government over the sale of Western Power.

It is no exaggeration to say that the government is disintegrating before our eyes. We have minister against minister. We have the Treasurer and the Minister for Transport at open war with one another in front of the TV cameras. We have different stories between the two of them about who was trying to knock the Premier off being publicly debated. We have party against party. We have the National Party at war with the Liberal Party over major, important policy issues. The government is disintegrating before the Western Australian public's eyes. It is a divided government with members against each other.

Over the week that was, we saw the re-emergence into cabinet and into the leadership of the National Party of the member for Pilbara.

Mr V.A. Catania: Hear, hear!

**Mr M. McGOWAN**: I am pleased that the member for North West interjected, because the only good thing that came out of those events last week was the demotion of the member for North West from parliamentary secretary. I think everyone in the house can agree with that, including the former Leader of the National Party.

It is true that the former Leader of the National Party has re-emerged as the leader and forced his way back into cabinet. But is there any greater demonstration of the dysfunctional nature of this coalition government than a senior minister within the government, the Leader of the National Party no less, publicly advocating on behalf of his three cabinet ministers major policies that are different from those of the Premier of the state? How can the cabinet be so divided and against one another on important policy issues and be described as anything but a dysfunctional and chaotic government? It is unprecedented to have a government in this state, and I suspect anywhere in the country, in which a bloc in the cabinet is at war with another bloc in the cabinet on major public policy issues; there is fundamental disagreement and government members treat it as though it is some sort of joke. It removes confidence in the Western Australian economy. It sends a message to business that this is not a place to invest. It says to the Western Australian community that we do not have stable responsible government in this state. It does all those things.

The current Leader of the National Party is saying that the Premier has no economic plan. We have the Leader of the National Party saying that this arrangement or this idea being put forward by the Prime Minister about the goods and services tax will benefit only New South Wales. We have the Leader of the National Party advocating a massive new mining tax that will rip up existing state agreement acts and send more money to Queensland, South Australia, Tasmania and the Northern Territory. The National Party has a different point of view from that of the Premier about the sale of Western Power and it has a different point of view from that of the Treasurer; in fact, all three of them have different points of view. It is a chaotic government—and members opposite know it. All of these different positions on big important issues —

Mr C.J. Barnett interjected.

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Mr M. McGOWAN: Premier, you'll get your chance.

Mr C.J. Barnett interjected.

The SPEAKER: Premier, I call you to order for the first time. Member for Warnbro and member for West Swan!

Mr M. McGOWAN: I think it says a lot about the Premier that he is prepared to accept this bloc within cabinet of three ministers with fundamental differences on policy, which they are expressing publicly. It is weak to accept this; the Premier should have showed leadership. He should have said that if they are not prepared to accept the government's policies, they should not be inside cabinet. I think he would have gained more respect had he done so; indeed, I think his colleagues would have respected him more had he done so. That is the convention; that is the way Westminster government works. A government cannot inspire confidence among the people or the investment community if it does not have a unified cabinet. The Premier is too weak to say it. He seems to be too frightened of the National Party. His colleagues want him to say it. The lay party, I hear, wants him to say it, but he is too weak to stand up to it. I think he needs to explain why he has a divided cabinet. That is unprecedented in the history of this state.

There is no consistent economic plan —

Several members interjected.

The SPEAKER: Thank you. I want to hear the Leader of the Opposition and nobody else.

Mr M. McGOWAN: We have a government that has no consistent economic plan. We have a government that has no financial plan. We have a government with a cabinet that is divided, party against party, minister against minister. Only Labor has launched a plan for jobs and only Labor offers —

Several members interjected.

The SPEAKER: I am getting a wall of noise. Leader of the Opposition.

**Mr M. McGOWAN**: Only Labor has launched a plan for jobs and only Labor offers stable, competent and responsible government with a Premier who will last the term. Only Labor offers that.

Several members interjected.

**The SPEAKER**: Order, members! Treasurer, I call you to order for the first time and the member for North West Central for the first time. We are starting to bog down.

Mr M. McGOWAN: I turn to the issue of Fremantle Ports. We oppose the sale of the Fremantle port for what I think are very, very good economic reasons. I will run through them very quickly. The first point is that it is a monopoly asset. It is 3 000 kilometres from the nearest container port. I think a conservative and less radical position is that the government should not dispose of an asset in that position when it is so crucial to the economic future of this state. In order to dispose of this asset, a range of things will have to be dealt with. The first is the Foreign Investment Review Board. We know that there have been some very significant issues involving the Foreign Investment Review Board and some of the potential purchases of assets of this nature. I refer in particular to Darwin port and to recent events in New South Wales relating to Ausgrid and, I might also add, some major properties around Australia. The Foreign Investment Review Board is a serious issue in the disposal of crucial infrastructure.

Dr M.D. Nahan: No problem.

**Mr M. McGOWAN**: The Treasurer says no problem. I might add that it is a major port in close proximity to Australia's most important defence base.

The second point is that the government promised that it would not sell the port. It promised that it would not sell it before and after the last election. The third point is that if the government sells it, it will deny the state any opportunity for competition in ports. The fourth point is that it will increase costs, as is the record in Queensland in particular, but also Victoria, for importers and exporters. That is the commonly held view of importers and exporters in the business community. The fifth point is that it will prevent the construction of a new port in Kwinana. In selling the port, the government will hand the rights to a single purchaser and it will have the right to construct a new port at a time of its choosing, which will be when all of us have left Parliament at some point in the never—never. The sixth point is that the government will lose ongoing income to the state. The last round of figures showed around \$70 million per annum, but that may well grow as the number of freight movements going through the port increases. Finally, significant bodies such as the Western Australian Farmers Federation oppose the sale of the port because of their experience with pricing and access regimes when the government sold the rail. There is a whole bunch of reasons that the government should not sell the port, which I think point to the fact that it is a more conservative and reasonable position to have that asset held by the state and it is

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a more radical position to flog it off in the way that the government is proposing. The only reason that the government is proposing to flog it off and break its election promise is because it wrecked the state's finances. That is the truth of it. The government wrecked the finances so it wants to flog off this important asset and after the next election the Premier's plan is to retire. That is a pretty poor plan. I will now say to the house that this is an opportunity for every member and every party to explain where they stand on this important issue. Various people have said various things about this issue.

Several members interjected.

The SPEAKER: Premier!

Mr M. McGOWAN: Various people from various parties have expressed publicly their position on this important issue. When they get to vote, the public will know whether they stand by their position on this important issue or whether what they said publicly is not true. That is the crux of the issue. Once again, Parliament provides an opportunity for people to put their money where their mouth is. The Leader of the National Party and National Party members need to explain to the house and vote according to where they stand on this issue.

**MR C.J. BARNETT** (Cottesloe — Premier) [3.17 pm]: Mr Speaker, obviously members opposite do not want to second their leader.

Several members interjected.

**The SPEAKER**: That is enough.

**Mr C.J. BARNETT**: That was a wideranging speech by the Leader of the Opposition on all sorts of topics. He is even a commentator on the state Liberal Party conference, which was an excellent conference.

I had intended to make only a few brief comments about the privatisation of Fremantle port, but given that the Leader of the Opposition was given the opportunity to cast his comments far and wide, I will make a few brief comments.

This has been a government of extraordinary achievement in every single portfolio. We can have an economic debate, but let us put economics to one side. The Labor Party has always thought of itself as the champions of the neglected people, the people in need in our community. What did it do in disabilities? What did it do in mental health? What did it do in child protection? It did nothing, nothing compared with what this government did. What did it do in environment? It left a legacy of lead pollution in Esperance that this government fixed at a cost of \$30 million. This government has preserved and protected the Kimberley at a cost of \$100 million, the greatest environmental achievement in the history of this state. The Labor Party no longer has its prior position on disability, child protection, mental health, Aboriginal welfare, or on the settlement of native title—none of those. It does not have a position on heritage.

Several members interjected.

**The SPEAKER**: Member for Butler, I have given you quite a lot of leeway. I call you to order for the third time and the member for Girrawheen for the second time.

Mr C.J. BARNETT: Mr Speaker, if a person were to come into this chamber on any day they wanted, they would see that our record is better than the opposition's record in any single portfolio. The Leader of the Opposition dares to speak about drugs. It was the Labor Party that talked about social and party drugs! That led to the methamphetamine scourge. That led to ice. It was the Labor Party that talked about so-called social and party drugs and denied that cannabis is a gateway drug. We can remember the speeches: "It is not a gateway drug", "Grow your own, a couple of plants; it's all okay." It was the Labor Party's policy and its members' public statements—that is what it was about, Mr Speaker.

Several members interjected.

**The SPEAKER**: Members! Members for Kwinana and Perth, I call you to order for the first time. Let us get back to some normalcy.

**Mr C.J. BARNETT**: We heard all the talk about the social and party drugs. Why are opposition members so sensitive? It is because they did not see the problem coming. They did not see it and the youth of Western Australia have suffered as a result. They did not see the problem coming.

Several members interjected.

The SPEAKER: Right, thank you.

Mr R.H. Cook interjected.

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**The SPEAKER**: Member for Kwinana! Member for Midland, I have been quite lenient on you. I suggest that everybody should take a deep breath.

Mr C.J. BARNETT: Finally, and then I will get back to the topic of the motion, which is the sale of the port —

Mr R.H. Cook: Switch back to making it all nasty and arrogant.

Mr C.J. BARNETT: Okay, maybe one more. The Leader of the Opposition's contribution to the cultural life of Perth is advocating cage fighting. It was his captain's call. I do not want to embarrass anyone; but, does the member for Maylands support cage fighting? Does the member support cage fighting? A bit of blood on the canvas—is that what the member is about? Does the member support it? Does the member for Armadale support cage fighting? Does the member support the violence that takes place in the ring?

Several members interjected.

Point of Order

Mrs M.H. ROBERTS: I call a point of order with respect to arrogance.

Several members interjected.

Mrs M.H. ROBERTS: Sometimes what I really mean comes out. I meant to say "relevance", although arrogance might be appropriate. The other point I make is that I know the Speaker has been calling to order members on the opposition side of the chamber and he has called to order some members on the government side of the chamber, but the Premier is basically goading members on this side of the chamber and it is difficult not to respond in those circumstances. I wonder whether the Speaker could give us guidance.

The SPEAKER: You are going to have a rest, okay.

Mr P.T. Miles interjected.

**The SPEAKER**: Member for Wanneroo, I call you to order for the third time.

Member for Midland, have you finished?

**Mrs M.H. ROBERTS**: I am seeking your guidance on the Premier seeking responses from us and goading us, and the relevance of his comments.

**The SPEAKER**: Member for Midland, I must say that there has been goading of members on both sides of the chamber. As regards relevance, I gave the Leader of the Opposition a lot of latitude when he started this debate. Premier, let us not forget that this debate is about the sale of Fremantle port, but I have given some latitude. I have given the member for Butler a lot of latitude, so I suggest that he quieten down.

## Debate Resumed

**Mr C.J. BARNETT**: I will return to the port. I simply conclude that I think that it is a fair matter of public policy for this Parliament and the Western Australian public to know who on the opposition benches supports cage fighting.

Several members interjected.

Mr C.J. BARNETT: We know that the Leader of the Opposition does —

Mr W.J. Johnston interjected.

Mr C.J. BARNETT: Hang on; calm down.

Several members interjected.

The SPEAKER: Members!

Mr C.J. BARNETT: Calm down.

Several members interjected.

**The SPEAKER**: Member for Cannington! Premier, you have made your point; come back to the debate on Fremantle port.

Point of Order

**Mr J.R. QUIGLEY**: I have been asked a question: name one member who supports cage fighting? I have been asked a question and I should be given the right of reply.

**The SPEAKER**: Member for Butler, you have been here longer than I have and you know that a lot of rhetorical questions are asked by members both ways.

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## Debate Resumed

**Mr C.J. BARNETT**: It is a reasonable question. The Leader of the Opposition, to his credit, is on the public record advocating cage fighting. That is okay; that is his position. But who else is willing to say that they support cage fighting? Anyone?

Several members interjected.

The SPEAKER: Premier, this is the third time I have asked you to come back to the debate on Fremantle port.

Mr C.J. BARNETT: I will, Mr Speaker.

Ms R. Saffioti interjected.

The SPEAKER: Member for West Swan!

**Mr C.J. BARNETT**: I am inclined to say that the opposition is chaotic and dysfunctional because it cannot work out its policy on cage fighting.

Several members interjected.

Mr C.J. BARNETT: It is not that hard.

Several members interjected.

**The SPEAKER**: That is enough! Member for Cannington, I call you to order for the first time. Fremantle port, Premier.

Mr C.J. BARNETT: Yes, Fremantle port, Mr Speaker.

Ms R. Saffioti interjected.

Mr C.J. BARNETT: I will go on to discuss Fremantle port.

Ms R. Saffioti interjected.

The SPEAKER: Member for West Swan, we have finished.

Mr C.J. BARNETT: As a female member of Parliament, the Member for West Swan should get up and tell us —

Several members interjected.

**The SPEAKER**: I call the Premier for the second time and the member for West Swan for the third time. Member for Butler, if you shout out again, you will be asked to leave the chamber.

Mr C.J. BARNETT: I will make a couple of brief comments on Fremantle port. Most major container ports around Australia have been privatised or are going through the process of privatisation, including in Victoria under a Labor government. This state government has built up the asset base of this state by about \$70 billion. This state has significantly higher levels of assets than when we came into power, and, even allowing for levels of borrowing or debt, which were introduced. The proposal is to lease out the port long term, but the ownership of the port will still fundamentally remain with the state, although we accept that it is privatisation—we are not suggesting that it is not privatisation. But there will continue to be a Fremantle Port Authority and it will continue to administer its navigational and other roles. That is it.

We believe that we will need to privatise some assets to continue to fund capital assets and our responsibilities as a government. The GST issue is part of that; there is no doubt about that. This year, this state will lose \$4.7 billion to the other states. We have a responsibility to maintain health, education, road projects, public transport—all of those things. We do not necessarily have to operate the port on the ground, but there is public debate about that issue—fair enough—and the government has made a decision that we intend to proceed with the privatisation through the lease of Fremantle port. Under our alliance arrangement —

Mr J.R. Quigley: Coalition.

Mr C.J. BARNETT: No, we do not have a coalition.

**Mr J.R. Quigley**: Yes, you do! Several members interjected.

Mr C.J. BARNETT: We have an alliance. We had a coalition in the 1990s.

The SPEAKER: Thank you!

Mr C.J. BARNETT: It is an alliance; it is quite different.

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Several members interjected.

The SPEAKER: Thank you!

Mr C.J. BARNETT: Mr Speaker, they are just pathetic.

Under the arrangements between the Liberal and National Parties in government—a signed agreement—the National Party has a right to differ from the Liberal Party if it so wishes. The National Party has indicated that it does not support the privatisation of Fremantle port. I would hope that it would change its mind, but because the National Party has exempted itself from that decision, the position of the Liberal Party is the government position. It is a cabinet decision. That is it; that is the reality. It is a government cabinet decision —

Mr D.J. Kelly: What a way to run the state!

Mr C.J. BARNETT: I am telling members how the alliance works.

The government will proceed with the privatisation of Fremantle port. That is not going to happen this year; it clearly requires legislation, a long sale process and all the rest of it. We will go to the election with a commitment to privatise Fremantle port, and we will provide all the details and safeguards and the like—and the Treasurer will comment on that. That is our position, and it is a government position; that is what it is. Legally, it is a government position.

One of the things I think has been learnt from privatisations over the years is that it is not simply a matter of selling an asset, deriving the income and using it for future capital works or for paying off debt or whatever it might be.

Mr D.J. Kelly interjected.

**The SPEAKER**: Member for Bassendean, I call you to order now for the third time. If you shout out again, you are going to have a rest. I have been very lenient with you.

**Mr C.J. BARNETT**: In past privatisations, there has been something extra—a tangible, demonstrable benefit to the community. The Liberal government—the government—has made the decision that if the Fremantle port is privatised, part of the sale proceeds will be used to build a specialist live export facility at Kwinana.

Mr M. McGowan: How much is that?

Mr C.J. BARNETT: It will be probably about \$200 million, yet to be done—but about that order. Why would we do that? The reality is that probably most of us in this chamber eat meat, but very few of us like to wander through abattoirs. Very few of us like to see the operation of the live animal export trade in practice; that is the reality. People do not like, and nor should they, having live animals handled through facilities at Fremantle as they currently are. Building a purpose-built live animal export facility for both cattle and sheep will improve animal welfare standards and will guarantee for the farming community that that industry will continue. Yes, you want to remove something from the public gaze, but you want to do it to the highest standards of animal welfare. The production of meat, particularly through the live animal export trade, is probably around a \$500 million-a-year industry. Anyone who knows a little bit about country towns and farming—I do not pretend to be an expert at all, but I have observed a fair bit—knows that the biggest agricultural production in country communities is grain. It is a huge, massive industry—probably the biggest production this year. If members go and have a look at a typical grain producer, they will see large farms of 10 000, 20 000, 30 000 or 40 000 acres, large machinery and use of chemicals. They operate for a couple of weeks a year putting the crop in and another couple of weeks a year taking the crop off.

If we look at the animal business, whether it is wool, meat, processed meat or live export, there have to be fences, vets and feedstock. A whole range of people in rural Western Australia work around that industry. It is far, far more labour-intensive than grain growing is. We talk a lot about building and maintaining regional communities, and that is something I think we would all like to see happen, but I tell members that a higher proportion of people work in the animal business—in all aspects. For the longevity of that industry, it is important that we, as a major exporter of live cattle and sheep, have world's best practice in our export facilities, and the farmers understand that. Members opposite might say, "It should go out as processed, packaged meat", and I agree. But many of the markets we sell to do not have the capacity to handle that; they are still developing countries. They may well be able to handle it in the cities, but not in the smaller and more remote communities. That is the reality. Those opposite who care about animal welfare and are honest enough to admit that they actually eat meat might have some consideration for importing countries that are dependent on that protein in their diet for raising living standards; they might actually think about that. For jobs in country Western Australia, the animal industry is a bigger employer than members opposite might think. It is what keeps many of those towns going.

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Ms S.F. McGurk interjected.

**Mr C.J. BARNETT**: The member keeps chirping away. She is the member for Fremantle, but the live animals go out through my electorate at North Quay.

Several members interjected.

Mr C.J. BARNETT: You are one of the people, I suspect, who does not support cage fighting!

Several members interjected.

**The SPEAKER**: Member for Kwinana, I call you to order for the second time. Member for Warnbro, I call you for the third time.

MR W.J. JOHNSTON (Cannington) [3.35 pm]: I want to just make a couple of comments here. The first is that we have noticed that the chaos and dysfunction at the heart of this government is now affecting Western Australia. The divisions in this government are now impacting investment decisions in this state, and today we are talking about another one of those chaotic decision processes. It is no wonder that the Premier leaves the chamber; he is not prepared to stay and defend the chaos that sits at the heart of his government, and that chaos comes from his office. He is not in charge of his own cabinet. He is prepared to accept into his cabinet a person—the Leader of the National Party—who does not think he should be Premier. That is what has happened. He is prepared to accept into the heart of his government a person who disagrees with almost every single policy announcement of the government, including the sale that the government says is essential for Fremantle. We disagree, but that is what the government says. The Leader of the National Party does not agree with him. If it is essential for the state of Western Australia, what is the Leader of the National Party doing in cabinet? Why is he there? The Leader of the National Party has gone back into cabinet thanks to the member for North West Central. His fifth-column work has now been achieved; he has undermined the Liberal-National government and made it a laughing stock in Australia. I thank the member for North West Central very much; his fifth-column work is now complete. Every single time the Premier makes a policy announcement, whether it is about mining or port infrastructure in this state, the Leader of the National Party disagrees with him. This government is in chaos and Western Australia is suffering.

We have not heard anything about the question of national security. Is this government prepared to sell the port of Fremantle to a foreign government—particularly a foreign government that is not friendly with our allies? Is it prepared to do that? The Treasurer keeps saying that the Foreign Investment Review Board will deal with it, but look at the chaos in New South Wales. That is exactly the position that the New South Wales Liberal Party took on the sale of the "poles and wires" business. The two tenderers for the purchase of that asset are now both excluded by the federal Liberal government because of security concerns, and that is the Treasurer's plan for here in Western Australia. If the government does not want to sell it to a foreign government, it should tell us now, because that would mean that at least we would know what we are dealing with. There are genuine national security issues. The US Navy uses the port of Fremantle; where is it in the plan for the sale of the port to deal with the interests of our alliance partner, the United States?

The government talks about the live export facility in the outer harbour, but where is it going to go? It cannot build the live export facility until it has done the rest of the planning; otherwise, it might spend \$200 million on an export facility and then have to buildoze it to build the new container port. It has to plan things properly; it cannot just throw a bit of dirt on the ground and think that is an export facility. It has to do the planning.

Then we have the transport plan. Roe 8 has nothing to do with the outer harbour; it says so in the member for Alfred Cove's transport plan. A whole separate set of roads will have to be built to the outer harbour. The potential sale proceeds for the outer harbour is \$2 billion; that is the same as the Perth Freight Link, which does not even get to the inner harbour. The government is saying that it is going to keep the inner harbour going for 25 years. It is a ridiculous situation.

Then we come to the cost of using the port. Did you know, Mr Speaker, that the government's plan is to levy existing users of the current facilities to pay for the future outer harbour? Under this government's plan to privatise the port of Fremantle, exports will be more expensive. It will put up the price of using that facility. Mr Sims, the head of the ACCC, has made that quite clear. According to *The Australian Financial Review*—

Mr Sims said port privatisation was the best example of the approach that had turned him off privatisation as a policy.

The article goes on to state —

... "the same battle" was being waged over the Port of Fremantle.

That is the problem. The government is out of step with modern thinking on the port. It is out of step and it has no plan. It does not know what to do about national security because it is chaotic and dysfunctional.

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Finally, there will be no debt reduction from the sale of the port of Fremantle. Under the state Liberal government's plan Western Australia's debt will increase, not decrease. Weak National Party members have drawn the salary of ministers but have not accepted the obligations of ministers. For 200 years the Westminster tradition has been that if a minister does not agree with a cabinet position, they resign their post. Then we have had the rubbish of this invented alliance. It is a coalition government because National Party members sit in cabinet. If they want to sit in cabinet, they are members of a coalition. If they do not want to be in cabinet, then they can be an alliance member. They should not draw the salary of a minister if they are not going to take the responsibilities that come with that salary.

MR M.P. MURRAY (Collie–Preston) [3.42 pm]: I understand that the Speaker made a ruling earlier, but I also must comment on the Liberal Party's conference held on the weekend. I knew it was a sham straightaway when I saw the member for Murray-Wellington clapping when the Premier walked in! We know exactly what that means: it was an absolute sham. I would love to have taped it so that I could run it at my branch meeting. It is incredible to see the lies and deceit coming out of that group. I also want to comment on where we are going in the future. The deputy president's speech contained no vision and no thought; all it did was carp on about our members. It is a disgrace that that occurred at a state conference that should have been about where we are heading in the future. That is why the government of the moment is in big bother.

I come back to the issue of the port of Fremantle. The National Party have made more twists and turns on this issue than we have seen during the Olympic Games. I would rather that this not be recorded in *Hansard*, but I have to say that I felt a bit sorry for the Treasurer. He had been touting the sale of the port of Fremantle when along came the Leader of the National Party at that time, who espoused the opposition, and said, "Yes, yes, yes." The Leader of the National Party sat down and someone else spoke for about 10 minutes. The Deputy Leader of the National Party then got up and said, "That's not true. This is what we are going to do." What happened to the Leader of the National Party? He was shot fair in the middle of the back; he had the stool kicked out from underneath him by the deputy leader. When we saw that, we just thought, "Well, that's okay; that's an internal blue." Why did they not just have that blue internally instead of having it in this house, very publicly, and arrive at a position before they came in here? When we see that disarray in here, in public, imagine what cabinet is like? They should have been doing that internally and then going to cabinet.

Not only did that happen, but then they also had a little love-in. They had a meeting in the courtyard here and ran out onto the front steps of this place, held hands, and said, "We are going to oppose the sale of the port." Did they tell the Premier before they announced that? It is my understanding that the answer is no. How rude and deceitful is that from people in a government alliance? I would rather call it a coalition. How awful. How could anyone in a leadership position do that and not be upfront? That shows us where the National Party is at the moment.

We now have a new Leader of the National Party. At the moment that bloke has probably got the biggest ego in Western Australia; he has the biggest ego I have ever seen. I have seen chips on bloke's shoulders, but he has an absolutely large karri tree on his. He is strutting around and showing us that he is the man and is showing us that he is thinking, "I am the only one in Western Australia who can fix the problem with the coalition and the National Party. The first thing I am going to do is get rid of him; get rid of all of them—out." But he forgot to count. He did not have the numbers. How does the Premier work that out? The one thing I have seen over my many years here is that the Premier is pretty good at the numbers game. He is not bad at the hospital handpasses either. He has given a few of them out over the time he has been here. Poor Mr Nalder over there has probably had more bruises than any Fremantle Dockers player in the last six months.

I come back to the Fremantle port issue. If it is privatised, will we have security of pricing? No, we will not. Will we have security of trade? No, we will not; we will not know what is going out. At this moment the federal government is saying, "Gee, we shouldn't have done that at Darwin. It's about security." We have the same problem because we are down the bottom end and kilometres away from anyone else. We do not have that. We talk about live animal exports. I agree with what the government is saying in that it must be done properly, but what was the position in here when the federal government said that we have to stop live exports? I do not agree with the way they stopped it, but I do not agree with the rhetoric that comes from that side about how bad we are. There must be a vote in it all of a sudden. The government has got in there on animal welfare and is saying, "We've got to look after those sheep and those cattle." So they should, but where has it been for the last eight years on this? It has not been very forthcoming. There was a ship with animals on it in Fremantle harbour for nearly six weeks and it did not get unloaded until this side put pressure on the government. There was nothing from the National Party or the Liberal Party. There were quite a few deaths because those animals get seasickness caused by the motion of those ships. The ship was then allowed to toddle off on one motor to the Middle East. Do not come in here and say now that we have to look after the animals. That is not the case.

Another thing I want to mention about the port of Fremantle is the effort to consult with farmers. I have spoken with many people in the farming industry who are saying no to the sale of the port. I think the Liberal Party is

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obliged to listen to those people. They are concerned. I refer to nasty incidents that occurred some time ago when the port was blockaded during the Patrick waterfront dispute. The National Party was going to ramraid the port at the time, but the police were able to ward it off because of the danger that that posed. Who wants to see that again? At that time there were great big blokes dressed in black and wearing masks, dogs on chains and cameras everywhere. It is the most oppressed I have felt in my life in Australia so far. It was a disgrace for the government of the day and for Patrick Corporation to have put those people there. What was the fallout from all of that? Again, a position was reached at that time that cost farmers a lot of money because the National and Liberal Parties did not back up the farmers. They said, "We will go through. We will follow through on our decision and ram our trucks through", which they did not because the numbers were too great. Now we are back there again, proposing to sell jobs down the drain. What guarantee will there be for the people who work on the wharf? What guarantees will there be for imports, exports and costs? What about the jobs down there?

At this moment the government has given a \$50 million loan to an overseas company that is now trying to shed \$50 000 from Premier Coal workers. It is \$50 000 a year—and, yes, the Premier can frown, because it has been put on the table only this week, but that is with the government's money. That is what the company has got, and the same thing will happen with the port workers. When there is a new owner in there, clean them out, cut them down, put them back to an award from 1950 and say, "That's your lot." That is what has already happened under the Premier's government and a convertible loan of \$50 million has been given to a Chinese company. That Chinese company is now kicking the guts out of those workers down there. It is absolutely kicking them out and that is a disgrace! I said to the Premier in another sense that that money should be returned to government. This is because the company changed the rosters, which was \$25 000, done within the law, but it has come back with another \$25 000 grab with the Premier's money and his help to those workers. No wonder the Premier and the Treasurer sneak in and out of Collie and do not have the guts to stand up and meet the shires. After many letters have been written, they are still waiting to meet with the Treasurer. He does not have the guts to stand up and talk to those workers and say, "Bad luck, boys; you've just done \$50 000 a year." That is what is wrong with the town at the moment. People are not getting the support. That is what will happen in Fremantle as well. The Fremantle workers will be absolutely kicked in the guts because the new owner will have the government's say-so. I am glad for one thing: I am glad that the Premier will take this to the next election, because, by geez, it puts a difference between the two parties—a difference that will win us the election.

Opposition members: Hear, hear!

**DR M.D. NAHAN** (**Riverton** — **Treasurer**) [3.51 pm]: I thank members for the question and I will go through the issue about the sale of port of Fremantle once again. It is a very important issue—a legitimate debate on all sides. The sale of a major asset like this should be vigorously debated and many of the issues that people opposite and others have raised are legitimate. We have tried and successfully gone through those. I will reiterate them.

The central issue in pursuing the sale of the port of Fremantle involves two things. The state no longer needs to own or invest into the future of the Fremantle port. It will be the last container port owned by a state entity. Others with long-term leases were privatised many years ago very successfully. The moneys freed from the sale can go to funding future infrastructure of Western Australia. People on the opposite benches are tiptoeing through the electorate promising rail lines, crossovers, more rail lines and all sorts of expenditure. We will highlight the costs of those promises—it is in the billions. They are also promising to build an outer harbour within five years—billions again. How will they fund it? We are explicitly standing up and saying that we are committed to investing in the future infrastructure of this state, and we have a plan to fund it other than with more debt. The future government of Western Australia will have to address this. If the Labor Party does not address it, it does not deserve to be elected, because it has no plan. It will come through with a con job mirage—a Metronet that has no funding except that provided some day in the distant future. We are being honest. We will take to the election a plan to sell the port of Fremantle and we will use the proceeds to invest in the future of this state. We laid it out in the budget. Why are we going to do it? We do not need to own it. We need to invest in the future

A whole range of issues have been discussed. Some of those were legitimate issues raised by people opposite. Of course some of them were complete distortions and fabrications, but nonetheless I will go through them. The Foreign Investment Review Board is a responsibility of the commonwealth government. Once we get to the point of sale with some bidders, we will take those bidders to the FIRB and accept its decision. If it says that one of the bidders is not eligible, that is it—they are out and cannot bid. That is what we will do. We have had discussions with Treasury people, FIRB people, and the military from Canberra. We do not go to Washington to take advice; we go to Canberra. They have come over and expressed issues to us. We will address the ownership issue quite clearly. My own view, and from discussion with FIRB, is that the Fremantle port will be sold, amongst other things, primarily to an industry super fund—that is, a consortium led by an industry super fund. In

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other words, just like TransGrid, it will be sold to whom? It will be sold to us, to members opposite and to their union mates. Importantly, if we look at it, who is the likely purchaser?

Mr P. Papalia interjected.

The SPEAKER: Member for Warnbro!

**Dr M.D. NAHAN**: It is the Maritime Union of Australia and the Construction, Forestry, Mining and Energy Union. They are in the consortium for purchasing most of these infrastructure assets. On one hand, they protest about it, and that is why members opposite complain about it, and on the other hand, they turned around and said, "This is my future. I'm going to buy these."

Mr F.M. Logan: Cbus is one like that.

**Dr M.D. NAHAN**: Yes, Cbus is a major purchaser and bidder in many of these assets.

Several members interjected.

The SPEAKER: Members!

**Dr M.D. NAHAN**: Cbus has bid as an Australian industry super fund, as has Hastings Funds Management, which includes a large number of them. Increasingly, it is the industry super funds and their union investors who are buying these assets. That is who will buy it. By the time we get around to selling the port of Fremantle and Western Power, the FIRB will have prevented most of the other foreign investors from buying. So, who will we sell it to? Ourselves. The FIRB will decide that it will be largely sold to ourselves. There are some major issues about access and pricings; I have had numerous long-term discussions with Mr Sims, the chairman of the Australian Competition and Consumer Commission. He made some statements about port privatisations; I quote him. Regarding the access and pricing regime that the government has proposed in the legislation, as read a second time in this house, it is the best; he supports it. He is not worried about the access and pricing regime. He supports it.

Mr B.S. Wyatt interjected.

The SPEAKER: Member for Victoria Park!

**Dr M.D. NAHAN**: What he is concerned about —

Mr M. McGowan: He said it publicly? Dr M.D. NAHAN: He said that publicly.

Several members interjected. **The SPEAKER**: Members!

Point of Order

Ms R. SAFFIOTI: The Treasurer was referring to what Mr Sims said and we are asking him to table the comments that he made.

The SPEAKER: Treasurer, carry on.

Debate Resumed

**Dr M.D. NAHAN**: He has said in discussions that he is mainly concerned that if we link the inner harbour and outer harbour, he is worried about future competition. That is what he is worried about in this transaction. You know what? It is a legitimate worry.

We took this issue on. It was a long-term proposal to build an outer harbour as an overflow port. The outer harbour was always designed. When Alannah MacTiernan put the plans together for it, it was an overflow port. We tried to use the privatisation or asset sale as a mechanism to help fund the outer harbour to constructively address the future capital needs of this state. People opposite had no idea—except putting more government money in. Where will they get \$3 billion to \$5 billion? Nowhere. In other words, members opposite are tip-toeing around the Cockburn and Kwinana city councils saying that they commit to starting to build the outer harbours in five years. It is another one of the Labor mirages. They have no way to fund it. They are just trying to avoid building Roe 8; that is all it is. They are fake.

Therefore, we set up a system to privatise the inner harbour to fund the outer harbour. We did it a number of ways. The proposal in front of us is for the purchaser of the inner harbour to have first rights of refusal over the building of the outer harbour. The acceptance is dependent upon the government of the day, which can choose, accept or reject and determine when the proposal was requested. It is fully under the control of the government of the day. It will not be us, but the government of the day, as it will not happen for a long time. This provides a mechanism for funding. We also made other comments. These were contrary to what the member for

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Cannington said, as he just distorted it, as usual. He made things up—distortions. How the man can sleep at night, I do not know—although, he can probably sleep well, as he is used to it.

We also said that there is now a port improvement charge on the port that pays for the debt associated with deepening the harbour some years ago. We decided that it would be \$11.90 for a container. We said that we will keep that charge—not increase it—and when we privatise the port, we will pay off the debt and keep the port improvement rate to help fund the outer harbour.

We used this asset sale specifically as a mechanism to build infrastructure for the future, including the outer harbour. As the Premier said, we will also construct a specially built facility for livestock export in the outer harbour, which has already had some plans done for it. Good, constructive, long-term governments address the issues of infrastructure needs. What does the other side have? There are mirages, complaints and whingeing.

There are some other issues. We have had extensive discussions with farmers, including both the Western Australian Farmers Federation and, of course, the Pastoralists and Graziers Association; the Pastoralists and Graziers Association is firmly on-side. WA Farmers had some legitimate issues. It is a major user of this facility. We have addressed all its issues with Co-operative Bulk Handling Ltd and CBH is pleased with the process.

Mr W.J. Johnston interjected.

The SPEAKER: Member for Cannington.

**Dr M.D. NAHAN**: CBH has a 25-year lease with the lowest charges of any such facility in Australia. We are in discussions about extending that lease to 40 years and we will grandfather the existing charges for CBH for that period. It has no problems. It is a good deal. CBH is also allowing WA Farmers to expand the facility to allow liquid exports and imports into the facility to make more money out of it and to own it. Okay? We have addressed that issue. We are grandfathering all the other contracts under existing prices and we are inhibiting; we will not override any agreement acts or the powers under the agreement acts. We have addressed those issues.

Concerning income, we will not sell this asset if the asset purchase price exceeds, by a number of magnitude, the net present value of the revenue flow under it. We will not sell this asset unless it makes absolute sense. Right now, the price that especially industry super funds are willing to pay for infrastructural assets is at a record high. In Melbourne, they are queueing up for the sale, although the Victorian government is mucking that up a bit.

Mr P. Papalia interjected.

The SPEAKER: Member for Warnbro.

**Dr M.D. NAHAN**: The demand for these assets from the union friends of members opposite and industry funds is overwhelming.

Mr P. Papalia interjected.

The SPEAKER: Member for Warnbro.

**Dr M.D. NAHAN**: We looked at the sale as a means to fund Western Australia's future capital needs. We are using it to help fund the outer harbour. We are using it to help address the long-term needs of the livestock industry. We have also put in an access and pricing regime that is the top of the pops. Other ones that people have argued over across the floor —

**Mr B.S. Wyatt**: Will we see that beforehand, Treasurer? **Dr M.D. NAHAN**: Yes; it is already in the legislation!

Mr B.S. Wyatt: No, it's not.

Dr M.D. NAHAN: Look at it! Look at it! Read!

Several members interjected. **The SPEAKER**: Members!

**Dr M.D. NAHAN**: Do some work; read! If members look at the various ports that have been long-term leased or privatised in Australia, in all cases, except when the state government of the day has directed them to undertake major capital investments, the increases in price have been at or below the consumer price index. Our policy will be that it has to continue to do that. In our proposal, if there is an increase above CPI, it will have to get the Economic Regulation Authority's permission. We will cap most of the charges at CPI. Do members opposite know what CPI was this year? It was one per cent. This is what good governments do in terms of policy. They

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do not cower behind the union movement. They go out and address the future needs of Western Australia. This is what we are doing. We will be rewarded for this policy innovation.

MR B.J. GRYLLS (Pilbara — Leader of the National Party) [4.04 pm]: I rise to put the National Party's position on this issue and to give opposition members a further understanding of the alliance agreement that we share with the Liberal Party. The Liberal–National government has governed under that alliance agreement since 2008.

An opposition member: It is a coalition.

The SPEAKER: Members!

Mr B.J. GRYLLS: The member would like it to be a coalition because that justifies his criticism. My National Party colleagues and I fundamentally respect the ability of the Premier and the Liberal Party to prosecute an argument to sell Fremantle port. Our alliance agreement allows for the Nationals to withdraw from cabinet, which we did, and to debate our position in public. When this issue comes to a vote in three minutes' time, we will vote for the motion; we do not support the sale of Fremantle port. In the last eight years of government, the Liberal and National Parties have had different policy positions on a number of issues, including local government reform, the stop-and-search laws and trading hours reform. We took fundamentally different positions to cabinet and to Parliament on those issues. Having taken fundamentally different positions on those issues, some policies were not able to proceed because of our position.

Dr A.D. Buti interjected.

The SPEAKER: Member for Armadale.

Mr B.J. GRYLLS: At the end of that, the Western Australian Nationals went to the last election and, with the Liberal Party, won the strongest mandate ever given to a Liberal–National government in the history of Western Australia—the most seats we have ever won. We are very comfortable that the Western Australian public understands the alliance arrangements that we govern under.

Dr A.D. Buti interjected.

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

Mr B.J. GRYLLS: Those alliance conditions under which we form a Liberal-National government will continue. They are the fundamental basis of the agreement to form government, and that government has delivered a good outcome for Western Australia and it will continue to do so. In the last week, I admit that it has been a rocky road. I am responsible for that and I accept responsibility. However, we do not resile from the fact that we have put forward our ideas for the future of Western Australia. We do not expect the Liberal Party to agree with our ideas. We do not expect the Labor Party to agree with our ideas. They are the National Party's ideas; they are the National Party's ideas for the future of Western Australia. We will prosecute them and we will be judged on them. They do not take away our fundamental determination to work closely with the Liberal Party to deliver good government. We agree on 95 per cent of the things that we do, which is why we have been a good government. As the leader of the National Party, after the week that we have had and the policy positions that we put forward, it is now my job to understand the system that I work in and to work closely with the Premier and cabinet to deliver good government. That is what I will do.

Several members interjected.

The SPEAKER: Members!

Mr B.J. GRYLLS: That is what I will do. The moment that I think we are not delivering good government, we will make that call.

MR R.F. JOHNSON (Hillarys) [4.07 pm]: Mr Speaker, I will take the opportunity to say a few words. First of all, in the last few years there were some rare occasions when I actually agreed with the Premier and he agreed with me. That was when he said that he would not sell the port of Fremantle and he would not sell Western Power. They were my views and they are my views today. They were election promises in 2013. Once again, promises have been broken. I can tell members that over the weekend a lot was said by the Premier about integrity. I think he is getting integrity mixed up with arrogance because integrity is a moral thing. It is when people tell the truth and act in a moral way; it is when people oversee things that are done properly. It is not just a question of perhaps someone being offered a bribe and them not taking that bribe; it is a question of being truthful, honest, open and accountable and not being part of a cover-up, which we have seen. We have seen this Premier do all those things. We have seen so many promises be broken—promises that the Premier knew would be broken. The Premier broke promises that he made during the election campaign not only in 2008, but also in

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2013. Just ask the people of Ellenbrook whether they think the Premier's promises have integrity. I know what answer members will get.

**Mr C.J. Barnett**: Let's ask the people of Hillarys.

Mr R.F. JOHNSON: Don't you worry, my friend; the people of Hillarys have no time for you whatsoever. I have canvassed them and they cannot stand you. I do not blame them. They know how shallow you are. I feel sorry for the Treasurer because he will go down in history as having the worst possible budget deficit and debt ever in Western Australia. That is why I think Christian Porter left here; he could see what was coming. I do not blame the Treasurer for where we are. He has to handle the fallout from the expenditure of this Premier. This Premier spends money like a drunken sailor. Anybody can build infrastructure, my friend, with a government credit card that has no limit or settlement time on it. I will build people whatever they want; just give me a government credit card! Our children's grandchildren will be paying off the Premier's debts when he is long gone from this place, living on his big pension out on his farm. That is what will happen for our children's grandchildren in decades to come, and that is a disgraceful thing to leave them with. The Premier keeps changing his mind. Integrity—he would not know it if he fell over it, quite frankly.

I feel sorry for the Treasurer. I really do. The Liberal Party has lost its way, in my view, in many respects. It is now run by powerbrokers. It only just had a motion defeated on Sunday because people are starting to wake up. Let me tell my friends in the National Party, the Liberal Party hates you. They hate you and I know that you hate them. The feeling is toxic. I have been in the party room; I have seen it and heard it. It is toxic. The Liberal Party hates the National Party more than it hates the Labor Party. You hate them more than you hate the Labor Party —

Several members interjected.

Mr R.F. JOHNSON: That is the truth.

The SPEAKER: Members! Leader of the National Party!

Mr R.F. JOHNSON: Some people cannot handle the truth. You cannot handle the truth, my friend, and that is the truth. Go and do a poll. I have recently done a poll in my electorate and I will announce the results of that very soon, which will be very interesting. The Liberal Party wants one of its lackeys up there to represent the people of Hillarys. I do not think that they will be doing that, somehow. I will make an announcement in due course. The Premier can wait and see. He has a Minister for Police who supports drunken drivers who kill people and will not support legislation that will stop them from driving for the rest of their lives. The government is all over the place. The government has a Minister for Police who used to enjoy smoking pot. The Premier has been talking about recreational drugs; she has done it! She lost her licence because she kept speeding so much. The standards that the Premier is judged on are when he allowed one of his senior ministers in the past, who sexually assaulted a female member of staff, who sniffed the chair of a female member of staff —

**The SPEAKER**: Member for Hillarys, I have given you some latitude, but you know you are not to make adverse comment about other members other than by substantive motion, so just be careful.

Mr W.J. Johnston interjected.

The SPEAKER: I am talking about the minister. Carry on.

Mr R.F. JOHNSON: I am talking about a previous minister, not the present minister. I am talking about a previous minister that this Premier stood behind. He kept bringing him back into cabinet after he did all those disgraceful things; he got drunk and smashed up half a dozen cars. It was all part of a cover-up that the Premier knew about. His office was fully aware of all this. It was a cover-up and it was only when a member of the public came forward that he was found out. Then the minister of the day, who was the Treasurer, resigned. He was not sacked by this Premier. There was no leadership there. He was one of his favourites. He kept bringing him back into cabinet. It was a disgraceful exhibition of arrogance, not integrity, because he would not know it if he fell over it.

MR B.S. WYATT (Victoria Park) [4.14 pm]: What a rabble the government has become. From today we know that any commitments made by the Treasurer or the government based on the sale of Fremantle port are utterly worthless. The Liberal Party cannot go to the election and say it will sell this and spend the money there because its friends in cabinet—I say "friends" loosely—do not support it. The Treasurer had the audacity to get up and say that Labor does not have plan. This is from the government that promised Metro Area Express light rail and a debt limit of \$20 billion. It promised no deficits. The Treasurer is kidding me. What a disgrace he has become. The scenario now is that the Liberal Party has effectively

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outsourced economic management to the National Party. That is what the government has done. Let me get this right: Brendon Grylls will spearhead a group of senior ministers to tackle the budget challenge. What is this all about? What is the point of a budget and the Economic and Expenditure Reform Committee? The Liberal Party has farmed everything out to guys who do not agree with the key tenets of the Treasurer's economic plan.

Brendon Grylls said that the National Party agrees with 95 per cent of what its friends in the Liberal Party say. What he does not say is that he does not agree with the economic plan of government, which is not a small insignificant issue. The National Party and the Liberal Party's positions are fundamentally different on the key economic parameters of the budget. The National Party has a budget and the Liberal Party has a budget. That is not a cabinet government; that is a bunch of clowns running around looking for a circus. That is what it is. The Minister for Transport is using the National Party to try to extract the member for Cottesloe from the leadership. What a scenario the government finds itself in. The Minister for Transport took that long country drive from Applecross to Nedlands to speak to the National Party brains trust to knock off the member for Cottesloe. What a basket case of a government you have become!

#### Division

Question put and a division taken with the following result —

## Ayes (27)

Dr A.D. Buti	Mr R.F. Johnson	Mr M.P. Murray	Mr C.J. Tallentire
Mr V.A. Catania	Mr W.J. Johnston	Mr P. Papalia	Mr P.C. Tinley
Mr R.H. Cook	Mr D.J. Kelly	Mr J.R. Quigley	Mr T.K. Waldron
Ms M.J. Davies	Mr F.M. Logan	Ms M.M. Quirk	Mr P.B. Watson
Ms W.M. Duncan	Mr R.S. Love	Mr D.T. Redman	Mr B.S. Wyatt
Ms J.M. Freeman	Mr M. McGowan	Mrs M.H. Roberts	Mr D.A. Templeman (Teller
Mr B.J. Grylls	Ms S.F. McGurk	Ms R. Saffioti	· ·
		Noes (27)	
Mr P. Abetz	Mr J.H.D. Day	Dr G.G. Jacobs	Dr M.D. Nahan
Mr F.A. Alban	Ms E. Evangel	Mr S.K. L'Estrange	Mr D.C. Nalder
Mr C.J. Barnett	Mrs G.J. Godfrey	Mr W.R. Marmion	Mr J. Norberger
Mr I.C. Blayney	Dr K.D. Hames	Mr J.E. McGrath	Mr A.J. Simpson
Mr I.M. Britza	Mrs L.M. Harvey	Ms L. Mettam	Mr M.H. Taylor
Mr G.M. Castrilli	Mr C.D. Hatton	Mr P.T. Miles	Mr A. Krsticevic (Teller)
Mr M.J. Cowper	Mr A.P. Jacob	Ms A.R. Mitchell	

Pairs

Ms J. Farrer Mr J.M. Francis Ms L.L. Baker Mr N.W. Morton

The voting being equal, the Speaker cast his vote with the noes.

Question thus negatived.