

APPROPRIATION (CONSOLIDATED ACCOUNT) BILL (NO. 1) 2007
APPROPRIATION (CONSOLIDATED ACCOUNT) BILL (NO. 2) 2007

Cognate Debate - Motion

On motion by **Hon Kate Doust (Parliamentary Secretary)**, resolved -

That the Appropriation (Consolidated Account) Bill (No. 1) 2007 and the Appropriation (Consolidated Account) Bill (No. 2) 2007 be dealt with cognately.

Second Reading - Cognate Debate

Resumed from 19 June.

HON GEORGE CASH (North Metropolitan) [11.56 am]: The opposition supports the appropriation bills No 1 and No 2 and agrees that the matters be dealt with cognately, given that the No 1 bill deals with the government's recurrent revenue and expenditure and the No 2 bill deals with the government's capital expenditure.

The Appropriation (Consolidated Account) Bill (No. 1) 2007 seeks to apply \$11 791 774 000 of funds from the consolidated account. Schedule 1 of the No 1 bill sets out the departmental and other expenditure in the amount I have just mentioned. The Appropriation (Consolidated Account) Bill (No. 2) 2007 is to appropriate and to apply out of the consolidated account certain sums for capital purposes for the year ended 30 June 2008. It seeks an amount of \$2 799 110 000 for that period. Again, a schedule within the bill sets out the expenditure for that proposed amount.

When we spoke on these matters on the motion to note the tabled papers, I indicated that it can be anticipated that not all the capital expenditure for the year 2007-08 that is sought to be appropriated will necessarily be applied. There will be some rollovers from the current financial year and, clearly, projects that are anticipated will be completed by 30 June 2008 will not be completed on time. That will not be the first time and probably will not be the last time that occurs. I should indicate that the Standing Committee on Estimates and Financial Operations met as a committee in this chamber on Thursday, 21 June for the purpose of hearing from various departments. A number of departments came before the committee on that day and all members were given the opportunity to attend the meetings. The following departments came forward: Education and Training, division 50, in the amount of \$2 994 278 000; the Curriculum Council, division 52, with an appropriation for the year of \$24 398 000; the Department of Housing and Works, division 38, and the amount to be applied there was \$195 997 000; the Department of Local Government and Regional Development, division 19, and discussions ensued on the proposed appropriation of \$45 686 000; the Department for Communities, which seemed to make up a number of different sectors, so to speak, but is listed as division 69, provided information on some of the issues surrounding the \$30 065 000 to be appropriated to that department; and the Department of Water made itself available on the day, as did the Department of Environment and Conservation, and the Commissioner of Main Roads.

As I say, all members were given the opportunity to come forward and ask questions on that day. There is no need, as there has been in the past, for that committee to report before the appropriation bills (No. 1) and (No. 2) can be dealt with. I thought I should at least acknowledge that particular committee. There are some members who are still not satisfied with the way in which the standing committee is operating. I can assure members that the chairman has indicated to me she would be very pleased for members to make their positions understood. If members feel there is a need for a change to make improvements to the committee's operations, the chairman is keen to hear of their proposals and will no doubt take them to the committee. It is not much good members complaining about the operation of a committee if they are not prepared to come up with some positive suggestions or alternatives in respect of the workings of the committee.

Apart from that full day of hearings on 21 June, the Standing Committee on Estimates and Financial Operations has programmed for the balance of this year a number of other opportunities when departments will be called before the committee to discuss their financial operations. For instance, the Department of Culture and the Arts is to come forward on 13 August. On 27 August, the Department for Planning and Infrastructure, the Fremantle Port Authority and the Western Australian Land Authority are scheduled to meet the committee. On 3 September, it will be the Department of Health; on 17 September, the Department of Corrective Services; and on 24 September, the Department of the Legislative Council and the Parliamentary Services Department will be before the committee. I mention that because those meetings are open to all members of the Legislative Council and I know the chairman of the estimates and financial operations standing committee would be pleased to have as many members attend those meetings as possible.

I indicated earlier that debate on the budget bills in the Legislative Council is taken on a motion to note the tabled papers, which are the various papers that are tabled along with the budget speech by, in this case, Hon

Kate Doust, the parliamentary secretary representing the Treasurer. If we were to wait for the appropriation bills to go through the other place before dealing with them, we would clearly run out of time. It is now the case that the Western Australian Parliament is keen for budget bills to complete their passage through the Parliament prior to 30 June. I can remember that some years ago the budget bills were still being debated in October or November of the particular financial year to which they related, and departments were spending the money. Admittedly, it was possible to bring into effect other devices to allow certain moneys to be spent, but it seemed a very strange affair for debate to take place about whether budget bills should be agreed to, while the departments were spending the various appropriations.

Hon Norman Moore: Even as late as December.

Hon GEORGE CASH: Yes; Hon Norman Moore, as Leader of the Opposition and former Leader of the House, is right; it has been as late as December. That was a reflection of the house in those days. When Hon Max Evans was Minister for Finance, he wanted to change the system. Although the change was not necessarily embraced by some members of the public service and the bureaucracy, it was, in fact, brought about during the Court coalition government years and has been maintained ever since, which is very important. I say that for the reason that there is no need for me to run through the one and a half or two hours of comments I made earlier in commenting on the tabled papers. Since I first had the opportunity to speak on the tabled papers, very little has changed; that is to say that I maintain my view that of the 22 state budgets I have seen brought down, this is unquestionably the worst budget that has been presented to Parliament in the past 22 financial years. I say that having regard to the economic conditions currently being enjoyed in Western Australia. This was an opportunity for the Treasurer and the government to build on the greatest economic boom the state has seen for the past 50 years, to make something of the very special revenue that is being derived by the state, and to provide far greater infrastructure than has so far been provided.

During my earlier comments I mentioned that it was not only my opinion that this is the worst budget in 22 years. Various financial writers and journalists reviewed the budget in articles published soon after the budget was brought down, and said that they thought that this year's budget was a wasted opportunity. I mentioned that *The West Australian* was moved to publish an editorial on the day after the budget was brought down, in which it stated -

. . . Eric Ripper has laboured long and hard - and produced a mouse.

I really do not think it could be described in better terms. There was a huge opportunity. A lot of work went into the budget, but in fact it was a bit of a fizzog in the end. I say that because a review of the budget figures will reveal to members that this government has enjoyed massive revenues for the past six years. It has enjoyed massive revenues because it is a high-taxing government - and it is an equally high-spending government, although not necessarily on the sort of infrastructure that will lead us into the future, so to speak. My main criticism of this year's budget is the government's lack of action on the great opportunities that have been presented to it. I note that every man, woman and child in Western Australia pays more than \$3 000 a year in state-based taxes and charges, compared with, for example - let us pick a state - Tasmania, where the figure is about \$1 860 a year. From time to time, the Treasurer is heard to heap praise upon himself for the significant surpluses that he has been able to achieve for this state. I think it is fair to say that a Treasurer can achieve a surplus any day of the week if he overtaxes the community. That is what has been happening in the past few years in Western Australia. There have been many calls for taxation relief over that period. Most of those calls have been resisted by the Treasurer. Some commentators have observed that perhaps the Treasurer intends to build up a significant financial war chest that can be used for electoral purposes prior to the next election. We will need to wait and see whether that is indeed the case. However, that possibility certainly exists, given the current budget surplus.

I have mentioned that the government, through the Treasurer, has been overtaxing the community of Western Australia for many years. Members will be aware that some years ago, the Treasurer decided, because of the pressure that was being exerted by the broader community for taxation relief, to establish a state tax review. The State Tax Review Reference Group Committee was set up to work in parallel with the Department of Treasury and Finance to look at the potential opportunities to reduce taxation in Western Australia. The "State Tax Review - Final Report" was published by the Department of Treasury and Finance in May 2007. The "State Tax Review Reference Group Committee Chairman's Report" was published on 11 April 2007. I have noted previously that the reference group committee was not provided with certain details that it had requested from the Department of Treasury and Finance. The excuse that was given at the time was that some previous information from the Department of Treasury and Finance had apparently been leaked. The reference group committee was blamed for the leaking of that information. Whether that was the case, I do not know. I doubt whether the Treasurer knows that. However, that excuse was good enough to refuse the committee access to certain documentation. Reference to that matter is made in the chairman's report.

The reason the chairman brought down his report in early April was so that the Department of Treasury and Finance could take the committee's views and findings into account prior to the publishing of its final report. It is clear from the chairman's report, and the final report of the state tax review, that the Department of Treasury and Finance overlooked, or failed to heed, many of the recommendations that were made by the reference group committee. That is a tragedy, because the reference group committee comprised a wide cross-section of the community of Western Australia. In my view, the reference group committee was attempting to achieve an equitable outcome for the community of Western Australia. However, the political influence of the government was such that many of the issues that were raised by the reference group committee were not carried through in the state tax review final report. That is clear from the fact that the state tax review final report fails to deal with the many inequities that exist in the state taxation system. Since the publication of the chairman's report and the state tax review final report, there has been significant commentary in the newspapers about the way in which the State Tax Review Reference Group Committee was used by the government. In my view, the state tax review was never more than a sham that was visited upon the community by the Treasurer to take some of the pressure off him, given the significant criticism of the overtaxing of the Western Australian community. In not adopting many of the recommendations made by the reference group committee, the Treasurer acknowledges, and in my view admits, that his state tax review was nothing more than a sham.

We have dealt with some revenue bills in this house in the form of revenue laws assessment bills and revenue laws taxation bills, which have amended some rates of tax, in particular, conveyance duty for first home buyers. The opposition supported those bills strongly and said so in the house. We were keen that they be progressed without delay, and we obviously assisted in that process. The bottom line is that the only reason those reductions in tax rates were given - in some cases reductions in stamp duty were also given for motor vehicles and heavy vehicles - is the total inequity that applied between Western Australia and other states and, in addition, the pressure that was being applied to the government by the community in Western Australia to recognise the plight of first home buyers. There has been considerable discussion in this house about the plight of first home buyers. The reduction in conveyance duty for first home buyers will assist in some respects, but the inaction by the government to provide adequate residential land in Western Australia over a long period has forced up the price of housing and land so dramatically in this state that some potential first home buyers will be relegated to the rental market for a long time. It is only in recent days that publications have been released about the rental market in Western Australia. That market is now under significant pressure. The value of rentals in Western Australia has increased dramatically in the past year or so.

I should also mention that the statistical evidence in the budget relating to past financial years significantly indicates that the Department of Treasury and Finance has not yet mastered its revenue forecasting. I have said before that this issue needs to be addressed. At a meeting some 18 months or so ago, the Under Treasurer indicated to me that he recognised there was a problem and he was addressing the problem. In March 2006 - about 14 months ago - the Department of Treasury and Finance published a document entitled "Review of Revenue Forecasting". It is a lengthy document that sets out some of the problems associated with revenue forecasting for a government. When I read the March 2006 report and have regard for the alleged changes that were proposed in that report, some of which are said to have occurred, and when I look at the continuing failure of the Department of Treasury and Finance to address revenue forecasting, it seems to me that very little has changed. In fact, there is a good chance that we are actually going backwards. The Under Treasurer should make a statement to the Parliament about why he is unable to adequately get on top of revenue forecasting. If this were to occur in a business outside the Parliament, the financial directors responsible for the company's revenue forecasting would be in serious trouble because of their inadequacies. If it were a public company, the stock exchange would seek to suspend the shares of that company because it could be said that the company was publishing false and misleading information. This is a serious matter, and the government must look at it again. As the Department of Treasury and Finance is the organisation responsible for revenue forecasting in Western Australia, and tenders its advice to the Treasurer and other ministers, who make decisions based on those reports and advice, the department has a huge amount of work to do in that area. In the end, the person in charge must accept responsibility. That person is the new Under Treasurer.

In appendix A on page 39 of the Department of Treasury and Finance's "Review of Revenue Forecasting", there is an interstate comparison of budget forecasting errors. I will deal for the time being only with Western Australia. In 2000-01, the error in forecasting taxation revenue was 6.9 per cent; in 2001-02, 6.1 per cent; in 2002-03, 6.1 per cent; in 2003-04, 16.3 per cent; and in 2004-05, 15.4 per cent. The latest period covered in this report was 2004-05. The average forecasting error for taxation revenue in Western Australia was 10.1 per cent. In New South Wales, for instance, the average over the same period was only 6.7 per cent. In Western Australia, the error in forecasting revenue from conveyance duty for 2000-01 was 22.6 per cent; in 2001-02, 24.4 per cent; in 2002-03, 27.8 per cent; in 2003-04, 43.4 per cent; and in 2004-05, 44 per cent. That is an annual average error of 32.4 per cent - not something anyone could be proud of in any business. The forecasting error for royalties in 2000-01 was 37.7 per cent; in 2001-02, minus five per cent; in 2002-03, 14.5 per cent; 2003-04, 1.2 per cent; and

in 2004-05, 26.2 percent. The average over the period was 16.9 per cent. Members of Parliament are entitled to ask how the Department of Treasury and Finance could get it wrong so often and by so much. In the interests of accountability, the Department of Treasury and Finance, through the Under Treasurer, owes this Parliament an explanation of its inability to produce forecast revenue figures with greater accuracy.

I will also mention, as I did in part last night, that yesterday the Auditor General released the "Third Public Sector Performance Report 2007", dealing with three areas. The first area is the management of land tax and the metropolitan region improvement tax. The second area was legal aid in Western Australia and the third was the administration for grants. The Auditor General found that in respect of the accuracy of the calculation and timely issue of assessments, 13 per cent, or 15 272 out of 117 643, of assessment notices initially issued by the Office of State Revenue for the 2006-07 assessment year had to be reissued. A further nine per cent, or 10 328 assessment notices, were amended to nil payment. The combination of the first and second matter resulted in a total reassessment rate of 22 per cent. In his report the Auditor General states -

However, approximately 12 per cent of these are outside of OSR's control because they arise mainly from delays in land owners advising government of change in circumstances. The remaining 10 per cent are errors in assessment that should have been identified by OSR prior to issue.

When the Auditor General audits a particular department, the department is given an opportunity to comment on the report. In this case, the Department of Treasury and Finance was given an opportunity to respond. Page 6 of the Auditor General's report, under the heading "Response by the Department of Treasury and Finance", reads -

DTF supports some of the findings and recognises that its land database for land tax assessment purposes is not fully accurate for various reasons at any point in time. Nevertheless, the DTF considers that the impact of any discrepancies is minimal in the overall context of the operation of the land tax scheme.

That is an interesting statement. Some would say that arrogant statements are the sorts of statements that emanate from the Department of Treasury and Finance. I do not know whether the culture that has developed in DTF automatically means that it responds in a negative and arrogant way or whether management issues in DTF need to be addressed. To say that the impact of any discrepancy is minimal in the overall context of the operation of the land tax scheme avoids the major issue, which is clearly a failure to input accurate data. I assume that DTF is suggesting that because the impact is limited in financial consequences, it should not be seen as a major problem. I argue that, because of the quantum of reassessments that are being reissued, it is unquestionably a major problem. The Under Treasurer owes this Parliament a better explanation of what is contained in the Auditor General's report. If other issues need to be addressed, the Under Treasurer should come forward and let Parliament know. It is not good enough to just sweep this matter under the carpet by saying that the impact of any discrepancies is minimal in the overall context of the operation of the land tax assessment scheme. I suspect that if the same response were given to the Department of Treasury and Finance by another department, DTF would tell that department that such a response was unacceptable.

I wonder whether it is not a case of double standards that the Department of Treasury and Finance is operating on. I think that is a matter that the government has to look at. There is an obligation on the Treasurer to satisfy himself that the senior management of the Department of Treasury and Finance is discharging its duties in a competent manner. If it is not, the taxpayers of Western Australia are going to suffer. I am happy to meet the Under Treasurer at any time to let him know that I, as an individual member of Parliament, am very unhappy with the way in which the Department of Treasury and Finance is operating. As I said, I do not know whether it is a new culture that he has developed within the place or whether it is a continuing culture that he has not changed. There is a need for the Under Treasurer to act, and the sooner the better.

Hon Kate Doust: I understand that he is keen to speak to you, too!

Hon GEORGE CASH: I received a note from the Under Treasurer's office this morning in which he sought an appointment with me. I attempted to ring him but was told that his office did not have his mobile telephone number. I left the house this morning when I received the message to speak with the Under Treasurer to reinforce, I might say, the statements I made in the house last night. I was told by his office that he was not available and that he was en route from the eastern suburbs into Perth. I then asked whether I could speak to him on his mobile phone because I had to return to the house. I was advised that his office did not have his mobile telephone number. All I can say is that I hope no great financial tragedy besets the state and requires the attendance of the Under Treasurer via his mobile phone because, clearly, his office does not have his number at this stage. It might be something that the Under Treasurer would like to correct. Had he been available, I would have spoken to him. I do not intend to run in and out of this house today just because he is unable to find time to give his office his mobile telephone number.

The other matter I will raise concerns some tendering issues that have been published in recent times. I advise the parliamentary secretary that I will provide some written advice on these matters. They have been drawn to

my attention by another member who would have spoken at length on them if he had had the opportunity today. The member recognises that some arrangements have been made concerning the timing of bills and other matters. As such, he has passed these matters to me. They involve some tendering documents. The first is a tender that was awarded on Tuesday, 12 June 2007. It has a total price of \$581 230. It is for the supply of uninterruptible power to the data centre of the Department of Education and Training. An amount of nearly \$600 000 for uninterruptible power supplies to the data centre seems to me to be a significant amount of money. In the world of information technology it may be a very necessary requirement. I ask the parliamentary secretary to provide more information in due course on that matter. I will provide her with the details later.

Hon Peter Collier: Was it for power for shredding machines?

Hon GEORGE CASH: That is the sort of detail I am interested in. If it is for shredding machines, I think we are entitled to know!

The other matter is a tender that was awarded on 11 May 2007 for a total contract price of \$954 547. It involves the Department for Planning and Infrastructure. The tender relates to the Hillarys Boat Harbour. It is explained in the documentation that it is for the renovation and refurbishment of public toilets and ablution facilities. I understand that the work will cover three ablution blocks. Two toilet blocks are to be renovated, which involves some internal changes to the building. The third toilet block is only to be refurbished, which involves changes to fixtures and finishes only. There will be no changes to the building structure itself. Again, \$954 000 - nearly \$1 million - seems to be a lot of money to renovate some public toilets. I would be interested if the parliamentary secretary could provide some additional information in due course.

Another matter is a tender that was awarded on Thursday, 10 May 2007. The total estimated price of the tender is \$798 647. The purpose of the tender is for the supply of pork shoulders for Karnet Prison Farm.

Hon Paul Llewellyn: To supply what?

Hon GEORGE CASH: An amount of \$798 647 is for the supply of pork shoulders for Karnet Prison Farm.

Hon Paul Llewellyn: That's a lot of shoulders!

Hon GEORGE CASH: That is a lot of pork.

Hon Simon O'Brien: How many barrels of pork?

Hon GEORGE CASH: I would be interested if the parliamentary secretary could provide some additional information.

Hon Paul Llewellyn: That's some big shoulders.

Hon GEORGE CASH: That is nearly \$800 000 for pork shoulders. It was very proper that these matters were brought to my attention.

Hon Kim Chance: Isn't "pork" an offensive word in the context of a budget debate?

Hon GEORGE CASH: If it was for the supply of pork barrels for the Labor government's constituencies, I would understand. However, \$800 000 worth of pork shoulders for Karnet Prison Farm seems to be a significant amount of money. It may be that this is an annual tender for - I am sorry; did Hon Shelley Archer say something?

Hon Shelley Archer: I said that pork shoulders are probably the only thing they have to eat for weeks and weeks.

Hon GEORGE CASH: If that is the case, the human rights people will be on to the government, so I hope it is not the only thing they are eating for weeks and weeks. In due course, the parliamentary secretary may be able to provide some additional information about those issues.

Another matter I want to raise is contained in emails that were sent to me by some constituents. The emails were about the increased fees for the public transport system in Western Australia. The good news is that, as I have ascertained, all Legislative Council members representing the North Metropolitan Region and Assembly members of Parliament representing districts in that region received these emails this morning, because I note that the names of a number of Labor members are on these emails. It is probably quite correct that the emails were restricted to local members. The first email states -

I currently use the public transport system to get to and from the city at the moment and wanted to air my annoyance at the constant price increases the current government continually makes to the public transport system.

In the age of global warming I feel the government should be rewarding people that use the public transport system and not continually charging them more. The cost of using public transport is getting to the point where it will soon be cheaper to drive to work. Especially when you consider that the Clarkson train station will soon be charging \$2 on top of the train fare to Park there.

When you consider how busy the train freeway north is currently I can't understand why the government is doing everything possible to try to convince people to use public transport instead, one way to do that would be to drop the prices of the Public transport system.

Considering the recent addition of the smart-rider system the number of fare evaders must have dropped significantly, meaning the revenue public transport is raising has to be increasing.

I know a bunch of people that refuse to take the train because of cost reasons.

Why are you hurting the people doing the right thing?

Suggestion:

Charge less for people using public transport in peak times.

Regards

Then the name of the constituent is given. The reason I raise this issue is that this constituent is asking me, as one of the members to whom the email was addressed, why I am hurting the people who are doing the right thing.

I want to make it very clear to this constituent that I was one of the members who stood in this place and complained about this government continuing to insult the Western Australian taxpayers by increasing taxes and charges on such a regular basis. I will go back to this person to make it clear that a number of members on this side of the house - National Party and Liberal Party members - are very concerned at the continual overtaxing of the community by this government.

The other email I received on exactly the same issue is from a constituent. It reads -

I wish to lodge a complaint regarding the possibility of charging for parking at the Clarkson Train station.

If the government is trying to encourage people to take public transport rather than driving to the city and congesting the freeways/city, then this is certainly not the way to do it.

I raise these matters with the parliamentary secretary to illustrate that the increased charges are impacting on the community and frustration is building up. I cannot say whether it will ever be cheaper to drive a car rather than catch public transport, but clearly people in the community are hurting. That constituent has drawn this matter to my attention and the attention of at least one Labor Party member whose name is on that email. The good news is that these constituents have had their grievances aired in the house. It might not push down the price of fares, but I have responded to their email.

With those comments and having regard to the time constraints that the house is under, the debate on appropriation bills Nos 1 and 2 is, in the main, conducted on the motion to note the tabled papers, and the opposition supports the bills.

HON MURRAY CRIDDLE (Agricultural) [12.42 pm]: I have indicated that I will not speak for long. Obviously I support the Appropriation (Consolidated Account) Bill (No. 1) 2007 and the Appropriation (Consolidated Account) Bill (No. 2) 2007 before the house. However, I want to raise a couple of issues. Hon George Cash mentioned the estimates committee that was conducted last week. The practice of having the various departmental officers come before the Standing Committee on Estimates and Financial Operations to give members the ability to question them in depth is a very good way to go. It means that members can get to the bottom of the issues. Members can drill down by asking specific questions on various items. I note that the Senate adopts the same practice.

Members will have the opportunity over the next three or four months to question various departmental officers on the *Budget Statements*. It is a useful way for the Standing Committee on Estimates and Financial Operations to progress, because the outcome is a good result. I support that mechanism. I have expressed those views to the chairman of that committee.

I refer now to this state's budget surplus. This government is in a lucky position because the surplus will be in the order of \$2 billion. It will give the government the opportunity to cover up any mismanagement of quotes for tenders that might have arisen. Members recognise that the enormous pressure on construction costs results in cost blow-outs. It is just as well the finances of this state are in surplus.

I recall that when I was a member of the budget committee when we were in government, every day we would struggle to maintain a balanced budget. If the government has the opportunity to make forecasts for the future and gets it wrong, the state will go into deficit and that presents a problem. This government has an ideal opportunity to fix that problem by predicting revenue outcomes with accuracy. Having gone through a few bad years on the farm, I know only too well what impact that can have on a budget. The state budget is not much different from a farm, fishing or household budget - the budget must remain in surplus so that it can be managed correctly.

I also want to touch on the issue of tenders, which was recently brought to my attention. I have spoken to the Minister for Water Resources' office and the Water Corporation about tenders that have been let on the pipeline to Kalgoorlie. The principal tenderer has won the opportunity to do the business but has brought in subcontractors to do the job. These subcontractors indicate that they could do the job at a cheaper rate if they could get access to apply for the tender. That seems to be an issue that should be considered. I wanted to know how to get through to that business and I spoke to the minister's office, and his staff gave me some phone numbers. The matter needs to be addressed, so that the people who actually do the work can apply for the tender. The state might get a cheaper deal if that were possible. Therefore, I think that is something we should keep an eye on.

Two other issues have come to my notice since I spoke about the budget papers recently. One issue that worried me quite a deal was that since July 2001, government agencies have been unable to transfer archival material in their possession to the State Records Office of Western Australia. This is causing difficulties for researchers, historians and journalists who want access to facts and who must use the freedom of information legislation and all those other mechanisms that are available to get to these records. It seems to me that an enormous problem has arisen; it has now been six years since this was addressed. I understand a business study was carried out and I would like to know what has happened to that study. Storage for these archival materials is the problem. I would like to know whether provisions have been made to overcome this, so that agencies can get their archival records dealt with. As I say, it is causing a problem for people who want to get the information. I would not like to think that that information is being kept back from the general public or from people in the media, researchers and historians. I think it is an issue that must be addressed quickly.

The other thing that I want to touch on - I noticed that Hon Bruce Donaldson asked a question about this - is the fisheries meeting held at Jurien Bay yesterday. A number of fisheries representatives from all parts of the industry were at the meeting, such as lobster fishermen, financiers, processors and representatives of other fisheries; the shellfish fishery for abalone fishers was one. Unfortunately, it seemed as though a scare about representation at the meeting had gone through the department and the minister's office; there was a suggestion that it would be a difficult meeting. I can assure members that the meeting was very bland, given that a lot of these people have serious concerns about some of the decisions that have been made. Whether they are right in their assessment of the situation is not the issue. It would have been beneficial for the government had it been at the meeting to hear what the people were putting forward. There was no aggressiveness at all at the meeting.

I will go through the issues that were noted at the meeting. People in the country are becoming increasingly concerned about, and are talking about protesting about, the fact that government infrastructure is not being put in place and that governments are not listening to country areas. I understand that the minister will go to the country tomorrow and I welcome that. We have already discussed the fact that there are some issues at Dalwallinu and Morawa, which I have put on the record here, and no doubt the minister will deal with those issues when he gets there. However, a big frustration at the meeting was - some of the comments were not complimentary - that the minister, his staff and the department did not attend the meeting. I have been a minister and I think that the worst thing members can do is let these things fester in the community; they get worse and then there is a real protest and all sorts of silly things are done. This group of people is very responsible. I want to put on the record the resolutions that were made at the meeting that was held in Jurien Bay, which was conservatively estimated to have been attended by about 80 people from as far away as Kalbarri and Perth. As I said, the meeting was pretty well conducted. There was some concern about the local member chairing the meeting, but he did not chair it; it was chaired by the local representative of the local professional fishermen's association. The following resolutions, which I believe are responsible resolutions, were noted -

- The representatives of the commercial fisheries recognise that finfish stocks need to be managed to ensure sustainable use.
- Discussion paper 221 allowed finfish to be landed for personal use. This is no longer to be allowed and is now unclear if the lobster fishery can land by-product.
- The lack of full disclosure of the status of demersal finfish stocks on the west coast, in particular the impact of the recreational sector.
- The decisions are pre-empting implementation of IFM -

Integrated fisheries management -

in the wetline fishery.

- Commercial wet fishers provide the valuable service of delivering finfish to consumers and a management plan must provide for this service and therefore this meeting does not support allocation from commercial fishers to recreational fishers as the proposed plan implies.
- This meeting requests full disclosure of the status of demersal finfish stocks on the west coast.
- This meeting further requests that the minister promptly meets a delegation from WAFIC and the WRLC -

That is, the Western Australian Fishing Industry Council and the Western Rock Lobster Council -

to discuss and resolve the issues noted above.

They are very sensible and reasonable requests from the industry. The meeting was conducted in a manner that showed that it is an organised fishery that wants a reasonable outcome. I implore the Minister for Fisheries to meet with them to get an understanding of their points of view. They are concerned about compensation because of the loss of their licences for the wetline fishery. That concern is widespread throughout the fishery. The quicker they get the information, the better. Other issues include the number of wetline fish they should be allowed to take for personal use, the requirement for the wet fishery itself, and also the requirements on the recreational fishery. Those matters could have been sorted out at the same time, which would have avoided much of the confusion that has been caused.

I am concerned that country people are frustrated about a number of infrastructure issues. I met with the chief executive officer of the Shire of Dandaragan recently, and our conversation inevitably led to the Cervantes-Lancelin road and the opportunity for enormous development in the shire if that road is developed. We need a sensible solution to this problem. The suggestion that it will cost \$150 million is outrageous. There are better ways to go about it than to pay that sort of money. I understand that that estimate is based on the cost of the road per kilometre for the worst-case scenario. We must make sensible decisions and think outside the square. When I was the Minister for Transport, some of the local people assisted in building some of the road. That should not be out of the question. It should be given consideration because some agriculturalists are currently suffering difficulties. I support the bills.

HON PAUL LLEWELLYN (South West) [12.54 pm]: The Greens (WA) have a few remarks to make on the budget, which is covered by the Appropriation (Consolidated Account) Bill (No. 1) 2007 and the Appropriation (Consolidated Account) Bill (No. 2) 2007. My comments continue, to some extent, from the debate last night on the Revenue Laws Amendment (Taxation) Bill and the Revenue Laws Amendment (Assessment) Bill and the use of taxation instruments to achieve more than tax relief; to achieve also some social and economic outcomes. The example I was using last night was stamp duty tax relief. We can provide such tax relief on vehicles, but if it were tied to vehicle efficiency, there would be not only a lump sum tax relief, but also ongoing savings because the fuel and running costs would be reduced. The Greens believe that budget and taxation laws should be used to achieve that sort of outcome.

In the program set out in these appropriation bills at this unique time in our history in light of our wealth, two or three items stood out. The first was the items relating to securing Western Australia's water supply. Although the decision on the current desalination plant was not announced before the budget, it came hot on the heels of it, and I think \$750 million was set aside for the future development of a water source. In this case, it is for a desalination plant. It seems to me that in choosing to develop a 45 or 50 giganlitre desalination plant at a cost of \$1 billion, an appropriate way to find an additional 45 giganlitres would have been to seek expressions of interest from anyone who could supply 45 giganlitres of water. I suggest that that process would have resulted in many more innovative solutions than that of another desalination plant. As I have said previously in this place, the problem with desalination plants is that although we can afford the capital costs now and it may look as though we can afford the ongoing running costs, which are very expensive, it seems unlikely that at the time when such a large plant requires replacing we will comfortably be able to afford the billion dollars or more to replace the technology. By that time we will have become very dependent on the additional water being supplied by the desalination plant. Indeed, if we had sought tenders to supply 45 giganlitres of water, an industrial solution might have been to reduce consumption by 45 giganlitres through efficiency or conservation measures for the same price as we would pay today. That would achieve two objectives: firstly, it would avoid the long-term, ongoing capital cost of replacing a desalination plant and we would avoid becoming over-dependent on the ever-increasing and expanding water consumption. That would be the outcome of investing in efficiency rather than in new sources.

The other matter that emerges from the discussion about a desalination plant as one of the major items of expenditure is the claim that the desalination plant will be powered by renewable energy. We know that the

claim that the current desalination plant is powered by renewable energy is dubious at best, if not downright dishonest. There is no auditable link between the energy used for the desalination plant and the supposed Emu Downs wind farm that supplies it. The certificates generated by the wind farm are used for another purpose. That does not give the Greens much hope that the second desalination plant will see any additionality in terms of renewable energy in Western Australia, despite the claims that renewable energy will be used and that the desalination plant will be greenhouse neutral. To give a sense of the quantum, firstly, the Water Corporation was the biggest energy consumer in the south west interconnected system before the first desalination plant was built. The establishment of the desalination plant increased its energy consumption by 50 per cent. If another desalination plant is built, the Water Corporation's power consumption will double, at considerable cost, from being already the biggest energy consumer in the SWIS.

Sitting suspended from 1.00 to 2.00 pm

Hon PAUL LLEWELLYN: Before we broke for lunch I was talking about investment in the desalination plant and why it would have been a better solution to go out to tender for 45 gegalitres of water rather than pick a technology winner and go for 45 gegalitres of water from desalination. I also spoke briefly about the use of renewable energy and the fundamentally dishonest claim that the current desalination plant is powered by using renewable energy. I referred to the principle of additionality. If a new desalination plant is introduced to Western Australia, any requirement for renewable energy for that plant should be additional to the renewable energy already produced. Double counting, as we are doing now, is simply not acceptable.

To give members some sense of the relationship between water and energy - we have talked about this in the past - water is very energy intensive. The Water Corporation is the biggest energy user in the south west interconnected system. We run the risk, if we pursue desalination as a water source in the future, that there will be a blow-out not only in our energy growth, but also in our greenhouse gas emissions. The World Wildlife Fund published a report in this regard. Also, an article in *The West Australian* a few days ago - sadly, I do not have it with me - talked about a growing trend around the world to desalination plants as various regions dry up and the positive feedback loop that is occurring because desalination plants produce so much greenhouse gas emission.

I turn to the *Budget Statements* and the appropriations for climate change issues, which are laid out right at the back of the *Budget Overview 2007-08* - in fact, it is the very last item under "Lifestyle and Environment". It turns out that the government has committed just \$100 million over five years to the most important economic issue going that will have the biggest impact on our economy. That compares with \$900 million allocated for electrical infrastructure; \$766 million-plus for water; \$750 million for additional water resource development; \$700 million for roads; \$220 million for police and prisons; and \$100 million for ports. The \$20 million allocation out of an \$18 billion expenditure program seems pretty poor.

The take-home message from this is that if the government is not prepared to invest money to address climate change, it should allow the business community to invest in technologies by setting in place appropriate, legally binding carbon emissions trading arrangements and energy targets. We do not have to have this debate. The government's current investment in climate initiatives is fundamentally pathetic and ineffective. That is not to say that it is a bad thing to run programs that are designed to warm the hearts of students and teach them about solar power and the installation of solar panels. It is just that it is too little, too late, and it uses the wrong economic instruments. Taxing people and spending small amounts of money to resolve this major issue will simply never be enough. We need to build appropriate structures into the economy to deal with climate change on a scale that is necessary rather than just desirable. If we are to believe climate scientists, it is absolutely necessary. Having said that, the appropriation bills go into great detail about investment in infrastructure and other public assets. It is a reasonably balanced budget. However, the Greens (WA) have real concerns about the way in which budget allocations, economic surpluses and taxation instruments are being used inefficiently to achieve environmental, social and economic outcomes.

HON KATE DOUST (South Metropolitan - Parliamentary Secretary) [2.07 pm]: I thank members for their contributions today. I assure Hon George Cash that I will provide some feedback to him on the three tenders he is interested in.

Questions put and passed.

Bills read a second time.

Leave granted to proceed forthwith to third reading.

Third Reading

Bills read a third time, on motion by **Hon Kate Doust (Parliamentary Secretary)**, and passed.

The DEPUTY PRESIDENT: Order, members! We now move to order of the day 390.

Point of Order

Hon BRUCE DONALDSON: I seek some clarification, Mr Deputy President. I think the Leader of the House mentioned earlier today that we would be dealing with another matter after order of the day 437.