

APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 1) 2006
APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 2) 2006

Second Reading - Cognate Debate

Resumed from 17 May.

MR M.P. MURRAY (Collie-Wellington) [10.30 am]: It is a pity the Treasurer is not presently in the house; he may have heard a word of praise from me, which is very rare! This is a very fair budget. Although people were probably expecting bells and whistles, the budget has focused on the bottom end of the scale, by which I mean such issues as retirement of debt and others that are essential to keep our great state growing. I commend the Treasurer for that.

I will now move on to my electorate. People may have noticed articles in *The West Australian* recently about the improvement happening in the south west, especially Collie, which has become a place to invest in. For many years Collie has probably been undersold, and spoken about in terms that are not endearing. It must be remembered, however, that recently Collie won the Tidy Towns award against huge competition from around Australia. Although that might not mean a lot in some people's minds, it has brought back to the town of Collie a sense of pride that has not been there for a long time. I congratulate the committee and the people who worked on that project. It starts off at the school level, with recycling projects, and goes right through the community. It is not just about the visual appearance; it is about the make-up of the community. That shows where we have come from and where we are headed.

Ms A.J.G. MacTiernan: You've done your bit, haven't you? You've been putting your tinnies in the bin.

Mr M.P. MURRAY: I have certainly been putting my cans in the recycling tray, although these days it is pretty hard to find time to have a good drink! The town is looking magnificent. Investment opportunities promising a big return have probably gone, because blocks of land that were selling for between \$3 000 and \$5 000 only four years ago are now priced around \$80 000. That shows a huge confidence in the future of the town.

A new 50-bed motel with a function room is just about finished. Sadly, over the years, we have had to tell people who come to the town that there was no accommodation, and they have had to go down the hill to stay in Bunbury, and then travel up to attend functions or weddings. This 50-bed motel, which will probably be opened in about two weeks, will really fill that gap. It has a function room out the back. As the minister has pointed out, it could probably have catered more for the tourism industry, but with all the construction that is happening at the moment, it is certainly filling a gap. People are not concerned about the construction of the back of the motel, but the front is booked out for more than 12 months ahead. The first 25 rooms are solidly booked for the next 12 months. This again shows confidence in the town.

Another big thing happening around town is the Bluewaters 1 power station. I congratulate Griffin Energy Pty Ltd for its efforts in not walking away from the coal industry when some hard decisions were made, but rather taking it one step further. Instead of simply being a coal producer, Griffin is now looking to become an electricity producer, focused on selling electricity rather than coal. The company is building its own power station. The environmental clearances are in place and the contractor, Mitsui, has been signed up, so things are moving very well in that direction.

Dr S.C. Thomas: How is the funding for the line from Collie across to the Boddington mine? Has there been any action on getting that line completed?

Mr M.P. MURRAY: The line from Collie to Boddington has been an issue, but it is being worked through. Working backwards from the Boddington gold mine, the cost of the upgrade will be carried by the producers of the electricity, because the line will have a single user. I am sure that everyone in this house understands that if the government subsidises a single-user line, everyone in the state would be demanding the same deal. Infrastructure issues in the Boddington area are being looked at by the state and by Boddington Gold to see what can be done. Boddington itself will need a major upgrade, and we will be looking at the social issues we can address in that town.

Dr S.C. Thomas: Are the mine and the generating company committed to doing that line upgrade?

Mr M.P. MURRAY: They certainly are. They have said that, regardless of what happens with the line issue, they will be going ahead with building the line. Boddington Gold will use 170 megawatts of power, which will just about take up the output of the first stage of the Bluewaters 1 power station. Bluewaters 2, which will be an add-on, is well into the planning stage, and it is hoped that it can be carried out in one swoop, to keep the construction companies working right the way through. That will mean at least a five-year construction phase in the Collie region, so there will be jobs out there.

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

Unfortunately, the people who come into my office and do not have jobs are those who do not have skills, and that leads me to another area. Although there is much pressure for industry to bring skilled migrants from overseas, we must put more effort into training. I know the government has done a lot so far, but short-term training needs to be provided. I saw a sign in Bunbury outside a workshop: "bush mechanics please apply". There are many people in industry, whether they be mechanics or workers in other trades, who are semi-skilled, but do not quite know how to go about topping up their skills and producing the outcomes that will enable them to obtain very well-paid jobs in the construction industry. This is something on which we must do a bit more work. I know the member for Peel has worked very hard to make sure that such forward paths are provided.

In the TAFE awards ceremony held recently in Bunbury, I was impressed by the number of mature-aged apprentices receiving awards. About 75 per cent of those receiving awards were aged in their 40s or 50s. The opportunities have been provided to them. I spoke to some of them afterwards, and they said that the opportunities were too good to miss. They had been working in and around the industry for many years before taking advantage of the training opportunities. With recognition of their prior work, they were able to complete the apprenticeships within 12 months or two years. The opportunities are there at the moment, but unfortunately there is always a small group of people who expect people to come to them. The world is not like that. If those people just moved forward and got into the training system, they would assist the state and themselves.

It is very good to note from the budget papers that the Muja power station will receive a \$62 million upgrade and facelift. Of this, \$32 million is allocated to an upgrade of Muja D, to provide an extra 54 megawatts. I know that over the past few years the state has suffered from power fluctuations, but that has settled down over the past 12 months. This extra 54 megawatts will help the state to provide reliable power. There are still problems with the transmission lines, such as wooden power poles catching fire and white ants attacking underground powerlines in the Donnybrook area, and it takes time to fix those problems. All parties are making a concerted effort to ensure reliable power. There are regular complaints about the quality and amount of power going into the Donnybrook area from Collie. Extra effort has been put into that area, and the number of phone calls to my office has dropped off, although that may be because they have gone to the office of the member for that area, instead of mine. I see that the member for Capel is ready to say something. Has the improvement been noticeable?

Dr S.C. Thomas: There has been some.

Mr M.P. MURRAY: I am glad to hear that. I knew there would be.

Dr S.C. Thomas: What is the time frame? Muja power station is, of course, ageing. Has the government altered its lifespan projections for, in particular, Muja A and B?

Mr M.P. MURRAY: They will probably be retired in 2007-08.

Dr S.C. Thomas: That is getting very close.

Mr M.P. MURRAY: Yes, and that is why the upgrades have already been started. They will provide an extra 54 megawatts of generation capacity. Some \$20 million has been budgeted for an upgrade of control and instrument systems in Muja C and D. I think Muja C and D are about 20 to 30 years old, whereas Muja A and B are 40 years old. Muja A and B must be retired. They are a blot on the landscape. They also have implications for the environment. Their old stacks are pouring dust and ash into the air. On a very still day it looks as though there is a fog in Collie. That is why I am quite keen for those stacks to go. However, upgrades must be made so that jobs are not lost. Some of the upgrades will certainly create jobs because they will take a couple of years to complete. Another interesting matter is that Western Power has been rehiring people; it is moving away from the contracting system and giving people full-time employment. This again provides stability for the town and the people working there, so I am glad to be able to say that.

Moving on from electricity, I am very pleased with some of the budget items. Collie Bowling Club has been given a \$160 000 grant through the Department of Sport and Recreation for a synthetic green. The number of bowling club members over recent times has nearly doubled, so the pressure to keep the greens up to standard is huge. The synthetic green will save the club about \$40 000 a year on the expense of greenkeepers alone. The club is very excited about that.

After a very long and protracted argument in the community, a proposed plan for the Collie entry statement has been accepted in most areas. The entry statement will beautify the entry into Collie at a cost of approximately \$1.5 million. Collie Senior High School science department upgrade will cost approximately \$1 million, in addition to other works at the high school of \$1 million, which means a total of \$2 million. The government has already contributed \$1.4 million of funding to Collie Motorplex, which is coming along very well and is much needed in the state. Up to 15 or 16 police cars are driven there at times for training purposes. The economic spin-off from the Motorplex is through tyres, mechanical repairs and so on, and that money contributes to the

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

community. I am sure that in future side-by-side racing will be a huge feature. About 1.5 kilometres away is Lake Kepwari, formed from an old mine void. It is about 75 metres deep in the middle, 2.5 kilometres in length and one kilometre in width, and has been developed for waterskiing and camping. Fingers crossed, it should be open by next summer. Oh shit, my phone!

Several members interjected.

Mr M.P. MURRAY: That is one of those mistakes that people make. I make that point with sincere apologies.

The ACTING SPEAKER (Mrs J. Hughes): I thank the member.

Mr M.P. MURRAY: Lake Kepwari will be a huge boon for tourism in the south west and Collie. I have resisted the efforts of the Water Corporation to favour the Wellington and Logue Brook Dams' recreational areas for its needs. Lake Kepwari and Wellington and Logue Brook Dams provide for two entirely different types of recreation; one being waterskiing and the other being passive recreation. The people of Collie will be very angry if there is an attempt to restrict their use of the backwaters of Wellington Dam. That has been a traditional recreational area since the dam was built in the early 1930s. I make members aware of that. I am proud to say that I will be chairing what might be called a road show for community concerns in Harvey and Collie to hear the concerns of the community.

The contributions of some people are not recognised. I take my hat off to the Riding for the Disabled Association of Western Australia Collie group, which does a wonderful job. People bring children from all over the south west to its club. As a patron of the club, it certainly warms my heart to see smiling young disabled kids on a horse. It is just wonderful. People put many hours of love and free time into the group. I commend the people who do that job. If members have a chance to look at it, they should take the opportunity.

A milestone in the history of Collie is that the chief executive officer of the Shire of Collie, Mr Ian Miffing, has retired after working for the shire for 38 years. He started work in 1968 as a junior clerk and then went right through the ranks to become CEO. Ian has been more than just a CEO for the town. He has always been approachable. I remember during the first week or so after I was elected to the shire council, he was such a helpful, non-political person who would point people in the right direction. He has always been very helpful and community minded. I will mention some of the committees and boards that he has been on. He has been chairman of the Collie Catholic College board for 13 years. He was involved with the Collie Lawn Tennis Club for 25 years. He was a founding member of the Main Street Committee, a member of the Collie Business Enterprise Centre Committee, Collie Hospital Board, Collie Child Care Centre Committee and the former Collie Industrial Co-operative Society. This shows that people such as Ian are the mainstay in smaller communities such as Collie. They are more than just employees; they play a major part in the life of the town. In his retirement, Ian will stay on the board of the Riverview Residence, the Community Bank and the Collie Child Care Centre. He will remain secretary of the Coal Miners' Welfare Board. He will remain a member of the North Collie Hall Management Committee and chairman of the Collie Men's Hockey Association protests and disputes tribunal, a position I am sure he loves, and he will continue being a justice of the peace.

[Member's time extended.]

Mr M.P. MURRAY: I say well done to Ian and Raema and wish them many years of happy retirement. I am sure the whole town of Collie feels the same.

I take a great deal of notice of, and feel a great deal of pride in, working with people in aged care centres. It is home for people's parents when they get a bit older. At one time it was expected that the family would look after those older people, but now they get the best of care; not part-time care in a backroom, but care for 24 hours a day, seven days a week. The people who undertake that care are just wonderful. I take my hat off to a couple of them who have come to my attention. I am sure that others whom I omit to mention will not be offended. Mr Ken Landwehr of Pam Corker House in Waroona does work over and above the call of duty. He is a 24 hours a day, 7 day a week employee who has ingrained in him that if there is a dollar to be found for his aged care centre, he will find it. He worked very hard just recently to make sure the residents had a bus to have their day out in. The older people really do appreciate it. About \$100 000 had to be raised. They worked hard over an eight-month period to get that money and they have already ordered the bus. I congratulate them. I am sure that they will keep up the good work. I recently visited Hocart Lodge in Harvey. Harvey has a very strong Italian community. It was warming to see that some of their older members had gone into what are called multicultural clusters.

The people who are working with the people from the Italian community are learning to say "Yes", "Please", "Thank you" and "What do you want?" in Italian so that they can communicate with these people. The diet for these people has also been changed. I can imagine how difficult it must be for a person who has been part of the Italian community and has been eating Italian food to go into an aged care unit and be served food that is very

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

much Aussie style, with things such as bacon and eggs, and lamb chops. They are recognising the fact that these people have come from a different background and may find it very stressful - although I think they would find it difficult to complain - to change their lifestyle in their later years. It is wonderful that the people who are working with these people are talking to them in their own language, because when people get older they tend to revert to their native language, so they would probably find it quite difficult to speak English. I found when I was doorknocking that some of the older Italian women find it very difficult to communicate in English on a day-to-day basis because they have been part of a family unit that has spoken mainly in Italian.

Ms A.J.G. MacTiernan: So this is your excuse for occasionally lapsing into the use of unparliamentary language! You are going back to an earlier stage of your life!

Mr M.P. MURRAY: That is the bush bit, not the Italian bit! Well done to Judy Webster and her crew for taking this initiative. While the minister is having a go at me, I will certainly pat her on the back for the moneys that have been allocated to South Western Highway, as the minister said last night, for the much-needed passing lanes on the Bengier flats, and also through Waroona and Harvey. Probably the top request in my electorate is to fix the problems with South Western Highway. Those moneys will certainly go some way towards doing that. The overall expenditure on that highway will be in excess of \$10 million. Well done, minister. We needed that money.

Mr D.F. Barron-Sullivan: You should know that this is the same minister who deferred that funding a few years ago. If she had not done that, all that work would have been done by now.

Mr M.P. MURRAY: There was no ability at that time to do that. The passing lane at the Wagerup turnoff has been finished just in the past year. We could not have had work go on all along the highway, because that would have caused disruption, and people would have been very angry about that. I thank the minister very much for that.

To get back to Harvey, the E.G. Green and Sons abattoir was shut down for a short time. That shook the town, because 700 people had been working there at the time, and they were worried about their future. I thought the impact would have been greater, but we were fortunate that many of those skilled workers in the abattoir industry were snapped up. The telephones never stopped ringing with people asking, "Where are these people?" Even the 20-odd families who had been brought in from New Zealand were relocated and managed to pick up other jobs. The abattoir is now running again and working very profitably. In fact, I have been told - this is amazing - that the creditors will probably be paid a return of more than 100 per cent. There was huge concern at the time that some of the people who had sold cattle to the abattoir had outstanding returns of more than \$100 000. When people are in small business, that would certainly knock them around. The administrators have told me that now that a new company has taken over the abattoir, there is a chance that a return of up to 102 per cent will be paid to the creditors in recognition of their faith in the company. That is good news. About 150 people are now working in the abattoir. The company is looking at increasing that number so that it can move on. The "Harvey Beef" brand is special to our state, and also to our overseas marketing. I noticed during the downturn in the coal industry that when people are put off, depression often sets in. However, that did not happen when E.G. Green and Sons was shut down. In the first week the Water Corporation took 10 people out of the area, because it needed those workers, and it went on from there. Some of the people who had to move away at that time are now moving back. Harvey now has the lowest unemployment rate in the state. That is remarkable, considering that it had that sort of a hiccup. A lot of the people in the area are working up in the hills at the Wagerup and Worsley refineries. It is a feather in the cap for the community that it was able to work through that problem.

One of my concerns in recent times - I have brought this up in another place - is that many of the caravan parks along the coast that are designated for tourism are being bought out and chalets are being put in their place. I need to bring this matter to the attention of the house, because the consequence is that a lifestyle is being taken away from Western Australians. Many of us have lived that lifestyle and taken our kids to a caravan park or family unit near the beach. We need to work very hard to identify and designate land that will be available only for caravan and camping use. The three major caravan parks along the coast between Mandurah and Bunbury - at Preston Beach, Binningup and Peppermint Grove - have been bought and will be turned into chalets. That will mean there is no budget-type accommodation for people who want to recreate with their children during the school holidays or at other times. I am concerned that that is happening. It means also that the people who are deemed permanents can no longer live there. Preston Beach has 103 permanent residents. When I say that, they do not have permanency as such, but they have a caravan on site, and they travel there on weekends. Those 103 people have had to move out of those caravan parks.

Dr S.C. Thomas: They are semi-permanents if they are there only on weekends. They are permanent if they live there permanently. We have the same issue at Peppermint Grove.

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

Mr M.P. MURRAY: Yes. That concerns me because of its effect on the tourism industry, which we pride ourselves on so much. How will we be able to attract people from the eastern states, and get them to spend their money in our electorates, if there are no caravan parks for them? I beg all members to be mindful of this and work towards ensuring that we continue to have designated caravan parks or camping grounds. There are a few CALM-run caravan parks in the hills. However, these are not the mainstream caravan parks that many of the so-called grey nomads like to stay at.

Ms J.A. Radisich: Are you one of those, member?

Mr M.P. MURRAY: I am going to be one of those!

Ms J.A. Radisich: I reckon you are pretty close!

Mr M.P. MURRAY: The grey bit is right!

My last grizzle is about Harvey Hospital. Despite an election promise that the operating theatre at that hospital would be upgraded, that work has still not been done. I am very concerned about that. I get telephone calls on a regular basis from people who work in the hospital, and from people in the community, who want to know what is going on with that hospital. As far as I know, the work is supposed to proceed, but it is not happening. Again, I will be calling on the minister to get that work done and restore the faith of members of the community that their hospital will stay in their community. There is no way in the world that country hospitals should be wound back and the services provided in major centres such as Bunbury, Geraldton and Albany. This has been happening over time. I am sure the country members of the house would agree with me that the major centres are probably growing a bit too quickly, at the expense of some of the smaller towns in the regions. We must ensure that those towns are not overlooked. A Pinjarra to Brunswick sustainability study was done a few years ago. That study has, in the main, been ignored in the budget. We will be chasing that up to make sure those towns are given their just deserts. We want to look at how we can make those smaller towns viable, and how we can encourage people to relocate to these towns to keep the schools and the shops open so that the towns do not go into a total decline.

I again say to the Treasurer that, apart from the few grizzles that I have mentioned, he has done a great job in retiring debt and working on the infrastructure side of this budget. Some people thought all they would get is another belltower. That has not happened. We did not go that way. I am very glad about that.

DR G.G. JACOBS (Roe) [10.59 am]: I thank the house for the opportunity to reply to the budget. Before I go through some of the concerns about my electorate, and rather than go through a list of negative items, I will provide some history and an overview of why I am here and, indeed, why we are all here. Without sounding trite, we are here because we want to be a mouthpiece for the people we represent. We want to help them in areas that will benefit them and we want to help them help themselves.

My mother and father were not from a farming background. They moved to Esperance in 1957 when the town was just being discovered as an agricultural region. They drove a Morris commercial truck and an old Peugeot 203 along a very rough track west of Esperance. At the 43-mile peg the cars stopped and my mother asked, "What are we stopping for, Harold?" He said that they had arrived at the farm. My mother asked where the farm was. He said that she was looking at it. It was all bush. There was no road that was navigable by a school bus. There was no power; we had a 12-volt lighting plant to generate light. We had a kerosene fridge. We did not have a telephone. There was a school but my sister and I could not get to it. There was a hospital but we had to negotiate a very rough track and it took us over an hour to travel the 43 miles. That made me reflect: what is our responsibility for delivering some of those core services that were there even when my pioneer parents began farming? There are still concerns about roads, power, educating children and having a hospital that can cater for emergencies and elective surgery. People who live in the region want to have their babies born in the area. They want a hospital with a doctor always available.

When I was a child, before we went to town we would often wait in the car for our mother to finish doing what mothers do - she would tidy up the kitchen and sweep the back doorstep. On one occasion she did not see a monstrous tiger snake that was on the back doorstep. The monstrous tiger snake bit her and injected her with venom. I remember that day when I was a 12-year-old boy. We had a nightmare trip in the EH Holden to travel the 43 miles to the Esperance District Hospital. My mother was in the back of the Holden. She was vomiting, twitching and feeling very hot and sick. I thank God that there was a doctor at the hospital. If there had been no doctor at the hospital, I would not have a mother alive today. My point is that, even after 40 years, there are responsibilities on the state government to provide essential services in health, education, roads, power, and law and order. Most importantly, governments should encourage people to progress themselves. Governments should encourage a suitable environment to help people in small industry, medium-sized industry and the farming industry so that they can be productive.

I was disappointed in the budget because of the lack of funding for the Esperance District Hospital. However, \$13 million is allocated to the hospital, but it cannot be spent until 2009. Even then, the hospital can spend only \$100 000 in the first year. It will take another three or four years after 2009 for the balance of the money to be spent and for infrastructure to be built. It is conceded by most that Esperance is becoming an important regional area. That is particularly true with the development of the port and the development of the large Ravensthorpe nickel operation, which is located west of Esperance towards Ravensthorpe. The demand for health services will increase and we need to pay attention to three areas in particular. One is the emergency department of the Esperance District Hospital, which was initially built to cater for a population of 5 000 people. The population is now 15 000. It now has to cater for a large watershed area as far north as Norseman and as far west as Ravensthorpe. Those locations are one-doctor towns. There is concern about the emergency department. It is small, poorly configured and in the wrong place. It is located quite separately from the general ward; it is not at the front of the hospital. It is located to the side of the hospital. As such, it needs a separate staffing area. It is very difficult to multistaff that area because it is at the side of the hospital and not near the front entrance. It has poor ambulance access and poor access for patients brought from the ambulance bay.

Another concern is health services in the region. The WA Country Health Service has adopted a model called the hub-and-spoke model. I recognise that there are some positives to a hub-and-spoke model. However, if we are to have such a model for the goldfields-Esperance region, we will need a hub. It is envisaged that the hub will be Kalgoorlie. Although the budget allocates \$40 million to the hub, I suggest that the development is essentially being drip fed and will not produce a significant hub for referral from the Esperance region and surrounds that will accommodate the hub-and-spoke concept. A lot of patients who are seen in Esperance have to be flown to Perth. If the infrastructure and the services provided by the doctors and nurses, such as neonatology, paediatrics and geriatrics, can be upgraded at Kalgoorlie, the model will work like it should. A large percentage of patients who do not need to go immediately to a tertiary hospital in Perth - which would put pressure on an already overloaded system - will go to Kalgoorlie. If the situation in Kalgoorlie and Esperance remains as it is and the funding continues to be drip fed, the hub and spoke model will not operate as it should in the foreseeable future.

I refer to the mental health issue. I note that in the budget \$11 million has been allocated to mental health initiatives. I will take the opportunity in budget estimates hearings to ask the Minister for Health what that actually means. I have previously said in this house that the acute short-stay accommodation within the Esperance hospital is a major issue. For some five years now there has been a purpose-built, acute short-stay unit within the hospital to accommodate patients with acute agitation or acute mania. The general practitioner was able to manage the agitated patients who could be settled with medication and consultation with a psychiatrist at the hub, in this case Kalgoorlie. We know that over 50 per cent of patients treated in their home town can be settled, controlled and treated. Of course, our acute short-stay unit is not operating because of the lack of appropriate staff.

A general practitioner has an option - and this is something that I have done for many years - to transfer patients who cannot be treated at the local hospital, because of lack of facilities, to Perth. These patients are not transported by road, because it is an eight to 10-hour trip, which takes away volunteer ambulance officers and a policeman from an already taxed and short-staffed police station. The only option available is to involve these patients in what is an inherently dangerous exercise; that is, put them on a Royal Flying Doctor Service plane to be transported to a tertiary institution.

We can do better than that. We have the model and the plan. We are talking about appropriately transferring patients who need to be at tertiary institutions. In the hub and spoke model, instead of going to a tertiary institution, patients can be transferred to another regional centre that can cope with the secondary emergency. We can do better, but we need the infrastructure and staffing for that to happen. It would benefit my region and the state, because we would not be creating a knee-jerk reaction nor the necessity for every patient to be put on an RFDS plane and flown to Royal Perth Hospital.

Concern has been expressed about the lack of doctors in regional areas. It has come to my notice in the past year or two that there is concern in the Ravensthorpe area, in which there is one doctor who does an excellent job, about the workload of Dr Hermanus Lochner. He has been in Ravensthorpe for five years. However, with the development of the mine, to which I referred earlier, he will be faced with an increasing workload. We must attract another doctor to help him service not only Ravensthorpe, but also the ever-growing town, previously a village, of Hopetoun. Generally, in small areas and solo country towns, the doctor is overworked and quickly becomes burnt-out. The town is then left without a doctor and we go through that revolving door to try to attract another doctor to the area. We want to prevent that happening. Currently, I am working with the Western Australian Centre for Remote and Rural Medicine; Mr Ian Goldfinch, who is the chair of the local shire's health committee; Ford Murray from BHP Billiton; some community members; and River Medical Services, the locum

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

service that provides a doctor for Ravensthorpe and contracts Dr Lochner, to come up with a model to introduce another doctor to that region to service the ever-increasing population and demands, including from the mine.

I will refer briefly to policing. There is a major concern in my region about police stations being understaffed. This applies to not only Esperance, but also the Ravensthorpe-Hopetoun and Ongerup-Jerramungup regions. This creates a problem for an ever-growing region, particularly in the town of Esperance, that does not have a 24-7 staffed police station. Esperance is now a 24-hour town. It has a 24-hour service station and 24-hour port that is loading iron ore. Esperance should have moved on in the past 20 or 30 years from having no-one staffing the police station on Sunday and Monday nights. However, even to this day, if there is an incident at the 24-hour service station on a Sunday or Monday night, the call from a member of the community or the business operator goes through to Kalgoorlie. The Kalgoorlie police station relays the message to the senior sergeant in Esperance, via a pager or his home phone. That officer has to go to the police station, kit up with his gear and get down to the service station, even if it is two o'clock in the morning. In a region where there is increased activity, that is not good enough. This sort of thing happened 20 or 30 years ago when Esperance was a small fishing village; it is no longer a small fishing town. Esperance police station has 24 staff to run a 24-hour, seven-day a week roster. Conservatively, it is six police officers understaffed. When we compare that with other regions in the state, Esperance is grossly understaffed.

[Member's time extended.]

Dr G.G. JACOBS: I will refer to other core issues such as education, roads, power and water. Concern has been expressed that the Anglican Schools Commission's application to construct a private school in the growing town of Esperance has been turned down. The proposal was for the Anglican Schools Commission to provide parents with a choice in secondary education for their children. Last year there were 310 expressions of interest for the concept of the school. Esperance is a long way from any other major region, so there is a lot of merit in providing private school options. Many students already go away to private schools. Esperance Senior High School is bulging at the seams with 1 000 students. I was given an interesting tour a couple of weeks ago at my school reunion. It was a 40-year reunion of the class of 1966. The deputy principal said that if there were 10 more students, the school would be very embarrassed by the infrastructure and by trying to accommodate students in the computer classroom. The argument against approving the application for the Anglican secondary school defies logic and shows no vision.

I turn to the issue of roads and road reconstruction. Members will have heard much from me about the road reconstruction program in the flooded Lake Grace region following tropical cyclone Clare in January this year. We need to be cognisant of the problems of Lake Grace, a relatively small shire with a small number of ratepayers. They need every assistance possible to reconstruct the many kilometres of road that were destroyed following the floods. I have a very deep concern about the Chester Pass Road. It has eight feet of bitumen, very little shoulder and very deep gutters, which provide a danger. Ten per cent of the wheat crop in Western Australia goes down that road to the port of Albany. I have previously expressed my grievance to the Minister for Planning and Infrastructure about this road. I will certainly agitate that we at least upgrade three danger points and danger areas on that road.

In the small amount of time that I have left, I would like to make some comments about my shadow portfolio of disability services. It was a great privilege to be involved in a briefing the other day in one of the Legislative Assembly committee rooms. I met with Dr Ralph Martins, who is doing exceptional work in the state of Western Australia and certainly leading the charge against Alzheimer's disease. There would not be a member in this chamber who would not have been affected or have a relative affected by this scourge. At least 200 000 people suffer from this condition today, including my mum, who is in a nursing home. She spent 35 years on a farm bringing up two kids, including educating them by correspondence for the first couple of years because a bus could not come out to take us to school. She worked hard for many years with her partner, Harold, who developed this farm. When they reached retirement, mum lost her mind. When mum lost her memory, gone was the dream of spending the rest of their life together and enjoying life together after 40 years of hard work. It has caused them to not be together. Mum now needs to be in a nursing home and dad lives by himself, albeit he regularly visits the great nursing home in Esperance, the Esperance Aged Care Facility. It is a wonderful home for the people of Esperance and the region.

Dr Martins described a condition in which the brain oxidises itself when there are significant beta-amyloid deposits in the brain. That kills neurones in the brain and leads to a decrease in cognitive function and memory. We are faced with a significant epidemic of disability and pain and suffering to families as well as the significant associated economic cost. We could talk about the nuts and bolts of the budget and what I did not get in my electorate and what expenditure somebody did get in their electorate but in the end, we will be judged by how we

care for our aged and disabled. It is a great pleasure and a challenge for me to be more closely involved with disability services and seniors as part of my shadow portfolio.

I very quickly wish to talk about seniors. I commend the government for its announcement of \$18 million for a continence package, \$10 million of which will go towards continence products and subsidies to seniors. The \$470 commonwealth subsidy for patients cuts out after the age of 65. A great number of disabled younger people also cannot access the subsidy and do not receive any continence assistance. I have asked the Minister for Disability Services and the Minister for Seniors and Volunteering, who are two different people, to explain the nuts and bolts of that package. I would like to know what subsidies are available for the average senior who is suffering from incontinence and how the package will operate for disabled people. I would like some detail because people ask me these things. I think it is important that we roughly know some of the detail to give them a ballpark figure of what assistance is available and how they qualify for it.

I am also the shadow Minister for Goldfields-Esperance, a region close to my heart. It is obviously home. A lot of development is taking place not just in that region but also throughout the state. However, we will again be judged by not only how we care for our seniors and the disabled, but also the benefits we leave to society after the miners have left. After the big hole has been dug and the ground has been mined, what sort of society will we have? It is very important that we talk about not only the dollars and cents and development issues, but also how we can provide and create a healthy society. From time to time I hear people question the relevance of the state government, saying that we have too many tiers of government. As a state government and a state Parliament, we have a responsibility and we should be providing all those things that needed to be provided for my mum and dad when they were pioneers in the bush. They needed roads, electricity, a telephone, water, law and order and a good hospital. They needed an environment by which they could be encouraged to develop and get on with their own business and in the end provide a healthy society for not only themselves but also their children.

DR J.M. EDWARDS (Maylands) [11.29 am]: I am delighted to be able to participate in the budget debate. I am delighted also that the Treasurer has again joined us in the chamber. I congratulate the Treasurer, the members of the expenditure review committee and all the people who worked behind the scenes on the budget. So much work goes into pulling together a state budget that people do not recognise the long hours that are put in, the weekends that are worked, the early morning meetings that are held and the late nights when people are yelled at for not having the detail right yet. All those people deserve recognition for a good budget that delivers great things for this state.

One of the highlights of the budget for me is the government's commitment of \$5.2 billion to the building program for this coming financial year. That program will not only sustain economic growth, but also ensure that services continue to be rolled out and that improvements are made to the quality of life of Western Australians. I have been fortunate to have had the time to look at the detail of the budget, and I note that a record \$18.1 billion will be spent on the building program over the next four years. That is an amazing investment in Western Australia and an amazing investment for our future. The highlight of this budget is the decision making. Western Australia is experiencing great economic times and is doing well. There is some surplus money, but that money is going towards retiring debt, building infrastructure and ensuring that our future is underpinned. This budget sets us up really well for the future.

One of the major announcements in the area of capital works is about New MetroRail. New MetroRail is very dear to my heart. In my electorate of Maylands, the railway line is a spine of communication that runs through the electorate. Some years ago the Minister for Planning and Infrastructure and I opened the fantastic refurbished railway station at Maylands. As a result of the refurbishment of that station, which was one of the first railway stations in Perth, patronage on trains has skyrocketed. The locals love the new station and feel safe again when using it. More people are now travelling on trains, particularly on the eastern spine. Money was allocated in the budget last year to upgrade the Bayswater station. I urge the minister to ensure that that work ticks on, because it is important that that station be upgraded. Similarly, there is a small station at Meltham. Some improvements have been made to it, but, again, more work needs to be done. With rising petrol prices and increased train patronage, one of the issues faced by people in my electorate is the availability of parking spaces at railway stations. I will continue to work with local government and the minister and her staff to ensure that there are good parking facilities at these stations so that people can drive to the station, get on a train and go about their business. I was very pleased with the announcement about New MetroRail. One of the comments made by people in my electorate is that they love getting on a train and travelling to the city or, to a lesser extent, to places such as Midland, the northern suburbs or Fremantle. However, it will be absolutely fantastic when they can travel to the southern suburbs and move about the city on the new public transport route. It is fantastic for the state that that money has been allocated to ensure that at the conclusion of the New MetroRail project, the project is debt free, and I congratulate the Treasurer and the minister for that decision.

I was also pleased to see in the budget that a lot of money will be spent on electricity infrastructure. I have previously raised in this house a very minor infrastructure problem with a power pole that has been erected in Bayswater. To its credit, Western Power has changed its consultation process; this issue caused problems in the local community and change needed to be made. I hope that with the new projects that have been funded in the budget, Western Power's improved consultation process will ensure that other areas do not experience the problems that arose in a small part of my community when a particular project went ahead. I also note with interest that additional money has been allocated for underground power supplies. This infrastructure continues to be very necessary and people are calling for it. For example, if there is a storm and lines go down, power is affected. I know from consultation in my electorate that householders baulk a bit when they see the cost that must sometimes be borne by them. These issues need to be worked through.

I am delighted with the assistance that has been provided in the capital works budget for housing. Homeswest and housing issues are the number one issue in my electorate; people contact my office on a day-to-day basis about these issues. I use this forum to thank the Homeswest officers with whom I deal every day to try to resolve the problems of the people in my electorate.

As I have said previously, the thought that has gone into the budget needs to be commended. I applaud the Treasurer's statement that every cent of the projected \$1.275 billion operating surplus in 2006-07 will be used to fund the building program, which will help keep debt levels to a minimum. That is a really responsible way to make new investment, and also to keep a very close eye on the level of debt and to service that debt.

This budget is also about people. At the risk of repeating some of the comments made by the member for Roe, important things need to be said. When the state has an economic boom, as it is having at the moment, it is important that the government does not leave the people behind. Like a host of other members, I am pleased about the new incontinence assistance program. Never before in the chamber - I use the word "chamber" - has so much been said about incontinence. It is one of those small issues that can badly affect the quality of life of a number of people. I know that people have been lobbying for this assistance for a number of years, and I am delighted that it has borne fruit and we will have a new incontinence assistance program.

Extra money also has been allocated in the budget for disability services, and I am delighted about that. I am pleased that there continues to be recognition of the need for supported accommodation for people with a disability. Again, the government and the ministers are listening. These are big problems. Members know from their work in their electorates that they are the types of problems that keep some senior citizens who have children in their 50s awake at night, worrying about the future of their children. I am delighted that these problems are being looked at.

Mental health issues also are of grave concern, particularly in my electorate, and perhaps a little more so in my electorate because there is a fair bit of rental accommodation close to the city and near the railway line that allows people to access services. I totally support the move to manage people in the community, rather than in any form of institution. However, even with those services, a lot of people with problems sometimes struggle a bit in their day-to-day lives, trying to surmount those problems. I am delighted with the extra \$47.3 million that has been allocated for mental health services. I am also pleased that there is funding for 400 new community supported accommodation units to be built across the state. However, I put on the record that this is of particular concern in my electorate, and I will continue to raise the issue with the people who deliver the services.

On a slightly lateral note, I am delighted to see in the budget that \$74 million will be spent on building a new biosecurity centre of excellence to be co-located with the Department of Agriculture and Food. As the former Minister for Science, I had a lot to do with the group that worked on this proposal. It is a great proposal that will bring together different universities and people of different disciplines. The project will allow the sharing of resources. It means there will be less duplication and I believe it will give Western Australia greater synergy in this area. I am delighted that more planning work is occurring in 2006 and there is now a scheduled completion date of 2009.

The science announcements and the \$72 million allocation in the budget over the next four years are fantastic. In my time as Minister for Science the government considered taking a more strategic approach and started work on a science policy and a science communication strategy. It was very clear that there needed to be a greater link between science and innovation. I am delighted that the Premier has brought together those two areas of science and innovation much more directly. That was a gap that has now been plugged. I look forward to this soon-to-be-released science and innovation strategy. I welcome the \$4.5 million contribution towards the centre for food and genome medicine. That group has put in a lot of effort to bring its project to this stage. This funding will help address some fundamental health issues in this state, including diabetes, which has attracted a lot of attention in the past two days.

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

I commend also the Treasurer for allocating the \$1.95 million a year over the next four years to continue the interactive virtual environment centre program. This is a great program. The day I visited the program I was taken to a room that contained fantastic three-dimension projection equipment. I stood in the centre of the room in which the projection equipment was operating and felt as though I could virtually touch the model of the St Ives gold seam and see where it started, where it was deepest underground and where it was closest to the surface. IVEC was in my mind a lot during the rescue of the Beaconsfield miners in Tasmania. This project allows us to model what happens underground and to learn how to prevent accidents in Western Australia, hopefully, such as that which occurred in Beaconsfield.

The year 2006 happens to be the 150th anniversary of the man called Nikola Tesla. During the past month I was invited to chair the Tesla celebration forum, which comprises a group of people who are working to celebrate this 150th anniversary. Its aim is to make sure that, in Western Australia, we acknowledge Tesla, who is responsible for many of the things we enjoy in our modern lives. It was Tesla who did the first work on alternating currents and who is responsible for the work that has led to many of the electrical appliances that we take for granted today. Tesla's work contributed to the invention of the wireless. Where would we be without our mobile phones? Some of the basic work on wireless transmission can be traced back to Tesla. Members will be hearing more about these celebrations. A play will be held at the Octagon Theatre on 6 July reflecting Tesla's life. Other events include a conference to celebrate his achievements, a dinner and the unveiling of a bust of Tesla at the University of Western Australia on 10 July. One of the remarkable things about Nicola Tesla is that he was of Serbian extraction, born in a part of the world that is now Croatia, and migrated to America. As a result, he is claimed by all those nations as their own. Now, 150 years on, this remarkable man plays a role not only in science and technology in the world but also in bringing together various nations, all of who claim him as their own. He is a great person to commemorate and a great example of someone who has shown how science and technology can serve the modern world.

I refer now to some more electorate matters. I am very pleased to see in the budget a sum of \$900 000 for the management of the Baigup Wetlands in Bayswater. These wetlands are on the banks of the Swan River, but are the site of a major acid sulfate soil problem that, in part, has arisen because of the very good work done to restore the wetlands on the edges of the river. Unfortunately, we have come to recognise this very significant acid sulfate soil issue only in the past five or 10 years. Work had been done to improve that site, but disturbance of the local soil has resulted in a profound problem that we are now realising occurs up and down the Swan coastal plain. As it swings into action, this work will be not only useful in Bayswater, but also will inform decision-making and ensure better outcomes up and down the Swan coastal plain. That is a great effort. It is money that will be well spent.

I am delighted also that money is allocated in the budget to schools in my electorate, particularly for continuing the upgrade of Mt Lawley Senior High School and the redevelopment of the central TAFE campus in Perth. TAFE is becoming increasingly important as we look at retaining 16 and 17-year-olds in the school system. I am now working closely with both our local high school, John Forrest Senior High School, and the TAFE college to see how we can better tailor those services to young people. John Forrest Senior High School is in need of refurbishment. I am working with the principal, the district director and others to clarify its precise needs. However, I put the minister on notice that he will be hearing even more from us about what needs to be done there. The staff do a fantastic job, but we must improve the physical surroundings and make sure that the school provides the best outcomes for its students.

One of the issues about which I have expressed some disappointment is funding for bike paths. Cycling is an activity that is becoming increasingly popular in my electorate. I am delighted that, at this very moment, work is finally going on in Bardon Park, Maylands, to connect the bike path that runs through Maylands and Bayswater with the path that runs through East Perth. For the past 15 years, the gap in the path through Mt Lawley has been dangerous. People riding on the bike path have had to break their journey, travel along Guildford Road with all the traffic and return to the bike path along the river in Mt Lawley. It is fantastic that the work in Bardon Park is finally going ahead. However, I am disappointed that money has not been allocated in this budget to extend the bike velo path along the railway line from Bayswater to Bassendean. A couple of years ago we opened the velo path from Maylands to Bayswater. That is now so well utilised that it is hard to believe how many cyclists can use it at the same time, particularly during peak hours, when riders can be seen whizzing back and forth along the path. It is getting great use. We must get that link from Bayswater through to Bassendean so that people are able to zip up and down alongside the railway line. We want to encourage more commuters out of their cars onto their bikes and, when necessary, to combine cycling with train travel. I will work with the member for Bassendean to make sure that work is done in the same way that, in the past, the member for Perth cooperated so well with me to make sure the cycle path along the river was completed.

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

Earlier this week I was interested to see an article that arose from a report to a New South Wales parliamentary inquiry. The report was from a Dr Tim Gill from the Centre of Public Health and Nutrition at the University in Sydney, who has studied obesity rates in Australia and compared them with rates in other countries. He made an incredible statement about people in Denmark and the Netherlands having poor diets because they eat lots of meat and high-fat foods but, in fact, those countries show lower obesity rates than were evident in the rest of Europe. However, in those countries there is pervasive cycling and walking infrastructure. The message from Dr Gill was that we do not need to make drastic changes in our lifestyles; just riding our bikes would be a constructive measure in reducing obesity rates.

I will conclude my remarks on that note. This is a great budget; it delivers for infrastructure for our future. Perhaps most importantly, it delivers things like incontinence services for people in our community. It is important when we are doing incredibly well to remember that some people are still doing it really hard. This budget makes provisions at both ends of the scale.

MR D.F. BARRON-SULLIVAN (Leschenault) [11.49 am]: I take the opportunity to make a few observations on the process of structural reform in local government as the local member for Leschenault. It is no secret that over the past decade I have been a very vocal opponent of any proposal to create one monolithic council in the greater Bunbury area, and to have, for example, the City of Bunbury take over neighbouring shires and expand in that way. Without rehashing the whole history, I want to put on record for those who might be suffering from insomnia and might pick up this speech and read it at some stage that I do not hold an aversion to that sort of boundary reform simply from the parochial point of view that I happen to represent an electorate that represents part of a banana wrapped around the City of Bunbury; in fact, quite the opposite. Many people would not realise that prior to the last redistribution, my electorate actually covered more of the City of Bunbury than the electorate of Bunbury did. I was a City of Bunbury councillor for a number of years. I have lived within the City of Bunbury boundaries since moving to Bunbury in 1987. I have operated four successful small businesses in the City of Bunbury. I have been or continue to be a member, board member, patron or vice-patron of a number of organisations that are based in the City of Bunbury, ranging from the Bunbury Senior Citizens Centre to the Bunbury Chamber of Commerce and Industries, the Bunbury Aero Club, the City of Bunbury Surf Life Saving Club and so on.

Mr M.P. Murray interjected.

Mr D.F. BARRON-SULLIVAN: Quite categorically, no. I have already put that on record. I love Bunbury, but I will never be the member for Bunbury!

The point I want to make is that my opposition to a greater Bunbury council, if I can put it like that, is based on very objective reasoning. I turn to the recent report by the Local Government Advisory Board that was presented to the Minister for Local Government and Regional Development in March. I will confine my comments to the way that that report dealt with the greater Bunbury area. I do not want to draw conclusions or make any statements about what might be recommended for the wheatbelt or the metropolitan area. One thing in that report that I really do agree with is that it is a case of horses for courses and local government structures, activities and priorities are very different throughout the state. However, there is no doubt that the report placed a very strong emphasis on what it calls the financial sustainability of local government. I actually suspect that it places too much emphasis on that point. Yes, financial sustainability for a local authority is of paramount importance. However, altering lines on a map will not fix the situation. There are a range of other considerations that either feed into improved financial sustainability or are as important as - in some cases, even more important than - ensuring the financial sustainability of a local council.

The sort of things I am talking about are the need to ensure the highest possible quality of services to home owners, people living within the boundaries of a local council and the businesses that operate within the boundaries of that council. Another key criterion for any successful local government system has surely got to be how efficiently the local government operates, particularly the extent to which it ensures that costs to home owners and businesses alike are reduced as much as possible. The need for a mechanism to ensure that councils adopt the right priorities - in other words, people getting the services and facilities they want and that they are prepared to pay for - is of absolutely vital importance. As an example, people could go to any of the councils in my neck of the woods and ask people whether it is more important for local parks to be maintained to an excellent standard or for the local council to have new or better offices. There would be no prize for guessing what the vast majority of people in the community would say. A classic example of this sort of process was in the City of Bayswater. I compliment two members from both sides of the chamber: my colleague the member for Dawesville - who is the former member for Yokine - and the current member for Ballajura. I believe they both played a role in implementing local security patrols in the City of Bayswater. That is a classic example of the community being involved in the decision-making process. It overwhelmingly supported not only the

provision of that service, but also the notion of being billed for it. Another criterion that is absolutely essential for successful local government is the promotion of competition, within councils and beyond. That is essentially how our federal system operates. We have competition between the states. We also have a degree of competition and other relationships between each level of government. I argue that, in government, as in private enterprise, a monopoly structure is not the way to ensure the best and most efficient delivery of services.

The Local Government Advisory Board was, I think, too constrained in what it was able to achieve in its report. I think the terms of reference and the objectives it was given were too limited and narrow. I think also that the management of the process of reform in local government needs to be taken beyond the walls of the local government sector. The Local Government Advisory Board is composed entirely of people with local government backgrounds. The organisations that played a key role in this reform review process are also within the local government sphere. I argue that we need to go beyond local government to get a broader base of opinion on which to carry out this reform review process.

Some of the detail in this report is very interesting. A table in the report details the net expenditure per capita, by function, in the local government sectors within the states throughout Australia. It raises the question of what councils are doing; that is, not only what functions they are picking up and running with, but also the impact those functions are having on rates. Included are categories such as public order and safety; education; health; social security and welfare; housing and community amenities; culture; and other economic affairs. We all know that within each of those areas there is a huge amount of duplication and overlap between two or three levels of government within the federal system. Health is a classic example. The three levels of government are all involved in health. The last time I saw any kind of economic analysis of health spending, it was indicated that if duplication of services could be removed, there would be a saving of around \$3 billion a year, which could be ploughed back into improving better health services. A really comprehensive review process would have looked at what local government is doing, where the overlaps occur, what local and state governments should be doing and what the federal government should be taking responsibility for.

It is interesting that the report makes comments such as -

The operating environment of local government in Australia today might be described for most local governments as being an uncomfortable squeeze between rising community expectations, increasing responsibilities and compliance requirements, . . .

It is almost as if we have to accept this as a *fait accompli*. How are sustainable financial environments for local government to be created, given these problems? What is meant by “rising community expectations”? Does the community actually support paying for every single service that every single local government performs? Mention is made of “increasing responsibilities”. Who determines what responsibilities local government should carry out? In many cases, state governments are foisting responsibilities onto local government against their will, and very often without commensurate funding arrangements. If we take the classic case of road funding, we could delineate who is responsible for this or that and then sort out the funding arrangements accordingly. Therefore, there would not be a creep of responsibility for local government without necessarily the funding to go with it.

Another matter I raised that was referred to in the report is compliance requirements. If it is a problem, let us look at it. Let us see what can be cut in the way of compliance needs on small businesses, home owners and so on. A comprehensive review process is needed, rather than an acceptance that those matters are a *fait accompli* and are inevitable and cannot be changed. Those issues could have been dealt with head-on.

Another issue is not just what local government councils do, but how they perform their services. A classic example is the rubbish service. Three of the local councils in the greater Bunbury area banded together and decided that they would, through economies of scale, get a better deal for their ratepayers by having one contract for waste management throughout the three councils. However, the way it was handled raised two important issues. Firstly, the tendering arrangement was very unfair and disadvantaged an established local small business. Secondly, it ended up being a more costly and less efficient arrangement than was in place previously. Ultimately, it led to higher rubbish rates. I will provide an example of why that happened. The tendering documents stated that whoever won the tender must provide new rubbish bins. An existing local small business happened to have 12 000 bins in circulation already, most of which were virtually new because they were regularly maintained and replaced. That business was required to tender on the basis of replacing each rubbish bin. That cost was factored into the overall tender cost, which was factored into the rubbish collection rate, and the residents of the three councils ended up paying more for their rubbish collection than if the contract had been tendered under the original decentralised arrangement. Perhaps we could have looked at those types of matters and at what mechanisms are in place when a business, a council, an individual or a local member of Parliament - as happened in this case - alerts a council or the government to a similar problem. What processes are in place to

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

deal with such situations to ensure that residents get the best possible deal? Unfortunately, in that case there were no adequate processes in place and everyone ducked for cover.

What about a comprehensive analysis of the state and commonwealth government's roles with regard to the local government dilemma of cost shifting, which I mentioned earlier, and the current insecure funding base of councils? I have enormous sympathy for the smaller councils in particular when even a relatively small reduction in road funding can put the squeeze on a local council, particularly in the wheatbelt and smaller country councils. They have no option but to increase rates as a result of that reduction in funding because they are not given a guaranteed and secure long-term funding base from the government. Councils are dramatically affected by government decisions in other ways. When the Labor Party cut back the sewerage infill program, it affected those councils that had looked forward to having infill sewerage developed in their urban areas so that they could improve those areas, generate a greater rate base and ultimately use that money for the benefit of the local community. There are other constraints, too. I talked about some of the compliance requirements that the Local Government Advisory Board acknowledged were a serious problem. A residential development has been held up in the Shire of Harvey by government compliance requirements for many years. That development would not only improve the local community, but also assist in the financial sustainability of the Shire of Harvey. I refer to the Point Douro development.

A couple of matters come through in this report. In the greater Bunbury area there is an overwhelming theme that the City of Bunbury subsidises the neighbouring councils or provides regional services and so on at the expense of people in the City of Bunbury, but to the benefit of the people throughout the greater Bunbury area. However, there is no detailed analysis of that. There is certainly not sufficient analysis of the other side of the equation. For example, the section of the report that deals with the Bunbury region has a component on infrastructure. None of the infrastructure projects that are listed, including the port, the main roads and the Kemerton Industrial Park is the responsibility of local government. All those matters are the direct responsibility of the state. Even the airport, which is listed as major infrastructure, has a management arrangement with the council, but it is looking at offloading that. Major capital upgrades of the airport are usually funded through the commonwealth government's Regional Airport Development Scheme. It is all very well to say that there is infrastructure in the City of Bunbury, but that does not impact on the sustainability of the City of Bunbury. In some ways it can improve the financial situation for the local council area.

Tourism is mentioned in the report also. Bunbury is a nucleus for tourism and money must be pumped into it. The other side of the equation is very simple: there are no hotels outside of the City of Bunbury within the greater Bunbury area. Indeed, even in the City of Bunbury there has been ongoing debate over the funding of tourism and about whether it should be funded through a differential rate on all businesses or across the whole City of Bunbury by all ratepayers. Even in the area of tourism, it cannot be said that the City of Bunbury picks up the tab for something from which it does not get a benefit.

The matter of regional services and facilities is always raised. It is the old argument that Bunbury has regional services and pays for them and subsidises the Bunbury Regional Entertainment Centre and the regional art gallery and so on and that, consequently, the greater Bunbury area should be contributing too. I had a couple of businesses that were located very close to the Bunbury Regional Entertainment Centre. Boy, oh, boy, did they benefit when people went to the entertainment centre. We were not the only business to benefit. Half of the central business district of Bunbury has grown because of the Bunbury Regional Entertainment Centre and those types of regional facilities. What has that done? It has fed more rate revenue back into the City of Bunbury. There is no objective analysis of the net financial benefit to the City of Bunbury as a result of these factors.

[Member's time extended.]

Mr D.F. BARRON-SULLIVAN: Some of the other facilities that are referred to in the report include shopping facilities. They do not cost the City of Bunbury money; they earn the City of Bunbury money in a number of ways and they provide a number of other benefits. The report does not refer to the City of Bunbury benefiting significantly from very high degrees of state government support. When the Shire of Harvey wanted to build an aquatic centre, it had to survey its community to determine whether it would pay higher rates for it. The shire fundraised about one-third of the cost through a local community group that built and sold a house and did other things to raise money. The shire also sought some state government support. The City of Bunbury did not do those types of things. It borrowed a chunk of money - about \$5 million - from the state government. That amount was about five times the amount that the Shire of Harvey received. The City of Bunbury has a range of government facilities that are built in the city. Whether it is the new Fire and Emergency Services Authority centre, the milk carton - or the Bond tower as it is called; it is a legacy of the WA Inc days in which all the public servants are located in the middle of Bunbury - or whether it is the South West Health Campus or funding for improvements to the back beach amounting to around \$7 million, it is very hard to argue that the City of

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

Bunbury does not receive more than its fair share of funding, particularly in comparison to the amount of government funding that has been provided to the Shires of Capel, Harvey or Dardanup over the past decade or so. There is no objective or balanced analysis of those matters. I would have liked to have seen a more detailed, analytical and a broader analysis of the situation before the recommendations for structural reform were made.

I would have thought it would be essential to have looked at other options. The recommendation from the Local Government Advisory Board is that we should steer towards having a single, dirty great big council in the greater Bunbury area and that it should embrace the Shires of Capel and Dardanup and the key population centres to the south of Harvey. There are two options for that. One is to include Clifton Park, Australind, Leschenault, Binningup and Brunswick, as well as the Kemerton industrial park, which does not have too many people living in it. The other option is exactly the same, only with Binningup and Kemerton not included in this whopping big new greater Bunbury council. What about all the other options? The recommendation is very specific, even though the board acknowledged that further work needed to be done on whether the recommendation stacks up. That is because the adoption of the recommendation would create one dirty great big greater Bunbury council and leave the country parts of the Shires of Harvey and Waroona to be joined together. Blind Freddy could tell us that putting the country parts of Harvey in with those of Waroona would not create a financially sustainable council. I am absolutely foxed at how anyone could recommend the creation of one monolithic council like this, leaving out two small country areas, without giving proper consideration to and making a detailed analysis of the implications of that recommendation. The report says there should be more consultation and so on. Why put forward a recommendation that is fundamentally flawed and does not have enough of an objective basis without considering other options? Obviously some options that could have been considered revolve around the status quo on boundaries. As I said at the beginning of my speech, boundaries are not the important thing; it is what we do and how well we do it that matters. The sort of thing that the state government could achieve in the greater Bunbury area, without tinkering one iota with the boundaries, would be to ensure that the whole of the greater Bunbury area has a coordinated and efficient waste management system. The government could ensure that the whole of the greater Bunbury area has one town planning scheme, instead of four as there are now.

Ms A.J.G. MacTiernan: My God, a region scheme!

Mr D.F. BARRON-SULLIVAN: No, not a region scheme; it is very different from the region scheme. If the minister does not understand the difference, let us go back to town planning 101.

Mr R.F. Johnson: Tell her the difference.

Mr D.F. BARRON-SULLIVAN: The difference is that town planning deals with the nuts and bolts of what really occurs at a grassroots level. The region planning scheme overlays the whole thing.

Ms A.J.G. MacTiernan: No, it underpins the whole thing.

Mr D.F. BARRON-SULLIVAN: No, it overlays the whole thing.

Ms A.J.G. MacTiernan: Not overlays; underpins.

Mr D.F. BARRON-SULLIVAN: I will give the minister a classic, simple example. Let us take the grassroots issue of home occupancy arrangements. Those arrangements are completely different in the four different shires of the greater Bunbury area. Those same differences apply to a range of zoning issues and so on. All those matters confront not only big and small business, but also householders. One town planning scheme could fix that. That is the sort of initiative that a state government could drive and could achieve.

Another example of a very beneficial reform that could be undertaken without tinkering with boundaries is the introduction of one concerted road program for not only roads but also bridges, dual-use paths and so on. I cite the new bridge at Eaton as a classic example of the desperate need for sensible planning and direct government involvement. It is also an example of the way in which the state government has foisted on two local government authorities many millions of dollars of extra cost. Those local governments will not foot the bill. Ultimately, poor old home buyers or land buyers in the area will foot the bill for that, as those costs are passed on through land costs.

Another example of a benefit that could be achieved without tinkering with boundaries is better coordinated sporting facilities. The Department of Sport and Recreation has tried to achieve this for some time. If the government gave the department support and if the department was part of the reform review process, those sorts of facilities, which are desperately needed in the greater Bunbury area, could be achieved. I will give another example, just to add to the list of examples. The government could strive for real market-driven, not just city-centric, commercial development. A classic example is the first time the greater Bunbury area was to get a new discount department store, after Big W, when Target wanted to come into town. I can tell the minister that, as I

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

dealt with Target nationally, I know exactly where it wanted to go, and it was not in the centre of the city. Target wanted to build a bells-and-whistles module, just like the one at Rockingham and other places in Perth - a really big store with heaps of parking and everything. However, it could not build it in the middle of town, because it could not provide parking or it could not build the large module it wanted to build or financially it did not stack up. However, through the local council and planning processes, everyone insisted that Target be built in town, and as a result of that Bunbury ended up with a smaller discount department store than otherwise would have been achieved. It did not get the best commercial result or the best result for the community and the whole city of Bunbury.

I would love to delve into a range of other aspects in this report. However, I will stress the need for the state government to embrace local government properly and for it to consider providing a secure funding base to local government after it delineates what each level of government should be doing. The big debate is: what should the commonwealth be doing; what should the state be doing; and what should local government be doing? Then the state government could consider giving local government a secure funding base. I have spoken to a lot of people in local government and I know that, if that happens, they will support such an initiative as a rate cap. If local governments have a secure funding base, are getting the priorities right, are meeting community expectations head on and are doing away with duplication of waste, why should we be frightened to impose on them a strict financial discipline? That could be done as long as we ensured that they had funding security and as long as we knew that genuine community priorities were being funded and those services and facilities really were being met. The key to that in one man's view is to give people a real direct say in local affairs.

I for one personally regret the day, for example, that loan polls were done away with. A classic example is the Shire of Harvey which, as I mentioned a moment ago, wanted to build an aquatic centre. The shire had broad support from the community, which even said it would pay extra for it. The shire went ahead and built it and it has been a huge success. Yes, it has been a drain on the pockets of the council and ratepayers, but it has been a very big success. On the other hand, the same shire wanted to build new council chambers some years ago. Eventually the shire had to go to a loan poll, which it lost. My view is very simple: the community in both cases got what it wanted and got what it was prepared to fund.

In summary, if we have learnt anything from the experience of the greater Bunbury area and if we are to guide the reform process in a way that benefits the community - which is individual families living in the greater Bunbury area, whether they be in the City of Bunbury, the Shire of Dardanup, the Shire of Capel or the Shire of Harvey - it does not matter if the boundaries are left the way they are, provided that the commonwealth, state and local responsibilities of each level of government are delineated and duplication and waste are done away with, and provided that a reassessment is made of what councils are doing. There is waste and there are services that the vast majority of people do not want to pay for. That assessment must be done, provided that the level of efficiency with which local governments perform their main roles is determined. To use the example I used earlier, it would ensure that rubbish is collected each week as efficiently as possible, while also ensuring that it is a quality service that protects the local environment and provides other benefits. It would also mean that a secure funding base for local authorities would be assured by the state government so that they could, for example, implement an initiative such as a rate cap for small business and householders so that they did not continue to pay through the nose when state and commonwealth governments foisted extra responsibilities onto local governments without giving them commensurate funding to meet those responsibilities. I suggest that that, of course, would safeguard pensioners, families and small businesses from many of the excessive rate increases that have occurred, and not only in the greater Bunbury area.

Lastly, would it not be a great thing if a review reform process actually considered introducing a form of genuine direct democracy to hold local governments fully accountable to ensure that we received only the best quality services possible that we paid for? Those are six easy points. If we consider them objectively and are prepared to bite the bullet and do the right thing, we could provide financial security to local governments to ensure the best possible quality of service provision and the upkeep of infrastructure at a local level, without altering one single local government boundary in the greater Bunbury area. I suggest that would be the best possible outcome we could ever hope to achieve.

MR J.N. HYDE (Perth) [12.20 pm]: This is the most wonderful of times to be a Western Australian. We live in times of the lowest unemployment, the longest longevity, the lowest road death toll, low inflation, high education participation and massive dispersed wealth creation. However, not one person in this Parliament can claim to be a self-made man or woman. Not one person who works on St Georges Terrace is self-made. Indeed, not one miner from Mt Newman nor one mariner from Mandurah can claim to be self-made. Every Western Australian businessperson uses the vast Western Australian infrastructure in which taxpayers have invested to make money. Western Australians have become rich on the infrastructure that all taxpayers have provided - our

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

banking system and our trade arrangements. Indeed, 80 per cent of judicial time is involved in dealing with corporate law.

I will be one of the 40 000 Western Australians at the Migrant Welcome Wall in Fremantle in a couple of weeks to honour migrants who invested in our future by coming to Western Australia. My grandmother Emma arrived in the port of Albany in 1908 on the *Ophir* and was greeted by her brother Wilf, who had walked all the way from Williams. Their families and other families invested in this state by clearing land, farming, teaching, playing sport, earning wages, selling crops and investing in our state's infrastructure by paying tax to the state to build roads, ports, schools, hospitals, an electricity network and a perfected water system that provides safe and hygienic water across one-third of this most arid of continents. I am talking about my parents, members' parents, my uncles and members' cousins working hard, spending hard, playing hard, paying taxes, creating wealth and investing in all our futures.

It is a dumbing down to say that we are in a resources boom. The odd billion or two from mining royalties is handy lolly. However, the real story is how that money is being invested in our future and how the much larger percentage of non-mining wealth, which is driving our state economy, is being used to deliver better services to Western Australian families. The resources sector has more full-time employees working on St Georges Terrace than it does anywhere else. Woodside Petroleum has more employees working in its beautiful new office block - which, given that I am facing the Chair, is located behind me - than it does on any of its mine sites. The majority of our gross state product is being produced in my electorate of Perth, primarily the central business district. A boom implies an eventual bust. We are in a period of sustained economic growth and mega expansion with wealth creation and values-driven dividends driving share prices and profits, not speculation.

This is a magnificent budget for my constituents - bravo, Treasurer! The Treasurer has invested \$4 billion in infrastructure. What has the federal government invested? It has invested a lousy \$2 billion in infrastructure for the entire nation.

In Leederville 100 years ago, a young state government built sewerage lines and water pipes. How many businesses, pubs, shoe shops, fishmongers and baristas have a job, business and lifestyle because the first member for Perth and his comrades, who served in this very chamber, invested in the future? Today a Carpenter government is replacing those patched-up and ancient viaducts in Leederville. It is investing in our future and giving a further 100 years of safety, health and prosperity to another three generations of Western Australians in my electorate and to another 10 future members for Perth.

Our state keeps changing and our wealth keeps growing in the most extraordinary of ways. Our fashions dip and dive and somersault through all sorts of abominations. The East Perth Football Club wins some footy games, loses some, and then wins some more. Please let this weekend's match be the beginning of another winning cycle! What is the one constant throughout all this change? It is the need to invest in the future.

Mr E.S. Ripper: This speech has begun very well. However, I regret that I cannot stay to hear the rest of it because I must support our tourism industry. I will read the rest of it in *Hansard*.

Mr J.N. HYDE: Thank you, Treasurer.

Despite the clamours of self-interest and the chirping of narrow sectors to take the money and run, Western Australians continue to demand and elect politicians and leaders who will nurture our community and who will invest in our families and futures without splurging the state's money and emptying the coffers overnight. We all know that the federal government takes \$28 billion out of Western Australia and that it returns only \$24 billion. I will concentrate on how economic growth in Western Australia, which is double the rest of Australia but in line with our similar Asian neighbours, is galloping along because Western Australians work, invest and repatriate funds from Asia back into Western Australia.

Thinking back to the Speaker's welcome move late last year to inquire into a best-practice financial interest register for members of Parliament, I decided that the safest way to avoid a conflict in my present role and any future accidents that might occur - or the perception of one - was to invest primarily in Western Australian companies that created wealth in a sustainable but responsible way overseas, primarily Asia. As I took responsibility for my own share portfolio, I became fascinated with the amount of wealth and growth that is coming into WA's economy from Western Australians working and investing in Asia. As one of the most transparent members of Parliament, I will reveal four months in advance the changes that members will find on the next members' financial interest register. I am being transparent because I believe that members of Parliament should be up front when they talk in Parliament about a company in which they have a financial interest. I will provide a few examples.

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

Carnarvon Petroleum is involved in the exploration, development and production of oil and gas in Western Australia. It is also focused on developing and producing assets in Thailand and Papua New Guinea. In Thailand it is involved in a joint venture in the Wichian Buri oilfield in the Phetchabun Basin in the Gulf of Thailand. Carnarvon Petroleum has moved its head office to Perth. Kingsgate Consolidated is a successful Australian gold, silver and precious metals mining and exploration company that does not have an ounce of gold or silver in Australia. Through its wholly-owned Thai subsidiary, it owns and operates Thailand's only modern gold mine. Since operations commenced at Chatree, its results have been strong due to low cash costs, strong gold production, a successful exploration program and an improvement in the spot gold price. Over the past three and a half years, Australian company Kingsgate - I transparently acknowledge that I have a vested interest in this company- declared eight consecutive dividends to its shareholders of over \$58 million from its profitable Thai gold mine. That money is primarily coming back into Western Australia. The Chatree gold project, which is about 260 kilometres north of Bangkok, is producing gold at the rate of about 160 ounces a year. Although Kingsgate is currently headquartered in Sydney, with mines and offices in South America, it has an offer in place for Perth-based Andean Resources, which has mines in Argentina.

Oxiana is another Australian-based copper, goldmining and exploration company. Its operations are located in Laos, Cyprus and the Philippines. Oxiana also acquired the Golden Grove base and precious metals operation in Western Australia from Newmont Mining in the middle of last year. It is developing the Sepon copper and gold project in south east Laos. It is also exploring near Chatree with other companies. Oxiana is solely funding a detailed exploration and drilling program on several prospective high-grade, low sulphidation epithermal gold prospects in the Loei and Phetchabun gold belts near Chatree in Thailand, which, of course, is owned by Kingsgate. Rox Resources Ltd is a Perth-based gold exploration company -

Ms A.J.G. MacTiernan: How many of these companies do you have shares in?

Mr J.N. HYDE: All those I have mentioned so far. I was very transparent about that confession.

Rox Resources, just down the road in Altona St, West Perth, has a 60 per cent share in the Lao company First Pacific Mining, which controls the massive lode in the Pha Luang zinc, lead and silver deposit, 180 kilometres north of the Lao capital, Vientiane. Rox also has first right of refusal in a number of other projects in Laos, including the Met-Kasi gold and copper project, the Hinheup iron ore project and the Vang Khi coal project. Rox is also sniffing around Chatree in Thailand, and Mae Sot on the Thai-Burma border.

As an aside, there are some 180 000 Burmese refugees in the Mae Sot area. Anybody who saw any of the television reports last night would know that one of the great ethnic cleansing exercises in the world at the moment is being undertaken by the government of Burma against the Karen Christian minority, and most of the world remains asleep at the wheel on that horrendous activity.

The Perth-based software company Micromine is helping more than 50 mining companies in China to boost their efficiencies through software and computer development in commodities from diamonds and coal through to iron and precious metals. Western Australia's mining wealth is not based only on what we dig up and ship out from Western Australia; it is increasingly based on Western Australian technology and efficiencies being used in Asia. We are already the most efficient grain growers in the world, and we are now close to being the safest and most efficient miners in the world.

Yesterday our excellent Minister for Forestry, Hon Kim Chance, announced the shipment of locally manufactured palatial solid jarrah doors as part of a million-dollar contract to supply jarrah joinery for a project in Brunei. This is not only a credit to the quality craftsmanship of the Inglewood Products Group but also a major boost to the state through the government's support for the local value-added timber industry. This is value adding of approximately \$15 000 a cubic metre to the raw product, which is Western Australian timber. China will become Western Australia's biggest trading partner next year. Our two fastest growing areas of export to China are wine and alcoholic beverages - that is predictable - and also musical instruments. I applaud the commitment of the Carpenter government to biotechnology research and diversifying our economy away from the perception that we are just a quarry.

One of the biggest areas of export potential for Western Australia in China and South East Asia is in architectural and design services. Down the coast of Borneo from Brunei, at Miri in the beautiful Malaysian state of Sarawak, the Curtin University of Technology has a campus with beautiful buildings designed by one of my constituents, the Thai-Australian architect Joe Chindarsi, who happens to be a nephew of the Minister for Planning and Infrastructure.

Ms A.J.G. MacTiernan: Where are these buildings?

Mr J.N. HYDE: At Miri, in Sarawak, at the Curtin University campus. A big number of Malaysian students do two years of their degree at Miri and then come to Bentley for their final year. International students bring about

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

\$1 billion into Western Australia's economy each year. Curtin University also has partnerships with Chinese universities; that is, in liquefied natural gas technologies with the South China University of Technology, in grid computing with Huazhong University of Science and Technology and in water quality with the Harbin Institute of Technology.

Professor Richard Weller of the faculty of architecture, landscape and visual arts at the University of Western Australia is in Bangkok this week with his UWA colleague Gary Marinko. They are among the five finalists in a \$1 million competition to design a world tsunami memorial at Had Lek, in Thailand. Last Boxing Day I attended the first anniversary tsunami memorial event in Thailand with Australia's ambassador, Bill Patterson, who is coming to Perth on 1 June. At the beach at Had Lek, along with other national representatives, we talked up Richard and Gary's memorial proposal. As someone who has been closely involved in public art, I am in awe of how good their design is. It is an environmental centre on the forest slope, leading down to the most beautiful gathering of floating lights in the ocean - giant, glowing jellyfish-like tops bobbing around. I cannot remove my emotional involvement with the tsunami. I have the final visuals that are being presented to the Thai and world judging panel ready for an announcement this week. I have been conveying strong support to my Thai ministerial colleagues and others about this Western Australian project and its attributes. Western Australians have an artistic and design sensibility, entwined with our environment, that seems to be in touch with the new world cutting edge design in Asia. A Vietnamese-born constituent who does not speak a word of Vietnamese, Mandarin or Cantonese, is now moving to Hong Kong to do landscaping design work with a Western Australian company based in that city.

The New MetroRail project has brought into Western Australia amazing skills and technologies that have been value-added here by Department for Planning and Infrastructure public servants and contractors. The engineers, project managers and others built on the technologies that associated consortia used to build the Bangkok and Singapore rail projects. They are creating a project that our other Asian neighbours are in awe of, in terms of the cost efficiencies achieved by the Minister for Planning and Infrastructure and the safety record.

As a Western Australian in a state that is used to punching above its weight and looking for niche opportunities, I started to ponder on the second-level resources that an economy needs as it moves towards prosperity and consumerism.

[Member's time extended.]

Mr J.N. HYDE: I am very interested in the research that is being done at the moment into the slowing down of the American economy and how that may impact on Australia. At the moment, Chinese people each consume one-tenth of the resources used by an American consumer. If the American economy goes into recession and falls away, that will not affect Australia, because the Chinese and Indian economies are growing at such a rate into advanced economies that we will be unable to keep up with the demand from those countries. I was thinking in that vein about what happens in an economy. What happened in Western Australia when my grandparents and others were on their farms and their children started to grow up? Western Australia moved from a situation in which 77 per cent of the population lived in regional areas, to one in which 74 per cent of people lived in the metropolitan area. I wondered about the areas in which Australia imported 100 per cent of its needs. What are the second-level resources that growing economies need? Where is the niche?

Last Christmas, while I was pondering this and looking through a newspaper of record, the *Bangkok Post*, I noticed a story about mining companies in Australia having to dig up their old discarded mining vehicle tyres because world demand for rubber had exceeded supply. The \$35 000 tyres on those huge ore loaders had previously been discarded and buried when there was still some tread left on them. Now the vehicles have bald tyres that cannot be replaced, so the companies are digging up these old tyres. Australian mines need more trucks to quarry and transport ores, but the tyre supply cannot meet the demand. I started to think of rubber. The Thai stock exchange trades in rubber futures. I found the price had leapt. I logged on at 1.00 am today and found that the price had gone up another eight per cent this week. I learnt that Thailand produces 60 per cent of the world's rubber, with Malaysia and Indonesia producing most of the rest. Australia produces none of it; it imports 100 per cent of the rubber it needs. As the price of oil and the resultant chemicals and plastics has skyrocketed, rubber has become much cheaper and more reliable for more tyres than synthetics. Yokohama Rubber Company Ltd in Tokyo announced late last year that it would expand its production capacity. It said that it would double it. The lead-in time means that it will not be until 2009. It has invested \$5 billion in the future to get more tyres for mining operations. It is doing that in response to the surging structural growth in global demand. Another Japanese company, Bridgestone Corporation, which is the largest tyre manufacturer in the world, is also expanding. It has a sweeping capital spending program. It announced a budget very much like that of the Carpenter government. With a growing economy, if we want the state's mining industries to grow and we want developments in Western Australia, we need trucks, ports and vehicles that can get the ore into the

ports. They all need tyres. Bridgestone is also not expecting to have any physical greater supply of tyres until 2008.

What this said to me was that if I was looking at not having a conflict of interest and investing in something that is worthwhile, that Australia needs, that will give a return to Western Australia and that is also socially and environmentally responsible, rubber seemed like a good bet. As well as the transparent share companies I have just declared, I have a direct investment in a rubber plantation on the Thai-Lao border. It is fascinating to look at the indigenous peoples of north-east Thailand. Two million have been brought out of poverty in the past five years through Thai government family land rights allowing them to develop the rubber industry and palm oil for biofuels, which is something else we do not produce. The empowerment of impoverished rural communities has been staggering. If the federal government could only undertake a system of family land rights and of economic development in this country's north and north-east areas, we would have an economic solution to the poverty in the north through investment in infrastructure.

In the next budget of the Treasurer and the Carpenter government we need more investment. The state's debt-to-equity ratio is unbelievably low at just 30 per cent. All that debt is now in government trading agencies. I hope that in four years it is back to nearer a manageable 50 per cent, although I appreciate that the Treasurer still adheres to a ceiling of 47 per cent. The state is light years under that debt-to-equity ratio. The Burke government established the Gold Corporation in my electorate, and also the Western Australian Treasury Corporation, which celebrates this year its twentieth anniversary of profitable trading and economic return to Western Australians.

If I may hark back to rubber, I sometimes wonder at the role of government trading enterprises. An area where there is no economic development but there is a hundred per cent need is rubber. The establishment of a WA rubber corporation would be for another niche industry. Instead of tyres for mining operations being produced in Japan with rubber exported from Thailand, a \$45 000 tyre produced in Western Australia from imported rubber would be an economic development and investment in our future, which is warranted and, I would argue, is needed.

The response of the Chamber of Commerce and Industry of Western Australia and its spokesperson to this budget shows clearly that it is a small lobby group focused on its members. Its lack of support for infrastructure reflects the very narrow view of wanting to promote only the benefits of its members. It is not responsible for families and our future. This state government needs to be investing in families and our future, just as a previous Labor governments looked at the Gold Corporation. It value-added to an industry that is so important to our state; that is, gold. The revenue coming from the investment and economic activity of the Gold Corporation is paying for schools, hospitals and police stations. The CCI criticism of our investment in the future is quite transparent and predictable. It is warning that we should not be investing in infrastructure, because that might be cutting the profits of CCI members; that is, it will make the free market do what it is supposed to do by getting competition for workers and suppliers. That is ridiculous. The standard of living in Western Australia is rising because wages, project costs and profits are rising, which means that some consumer goods are becoming much more affordable. This is happening in the low inflation milieu. Higher wages and bigger profits are good when they are disbursed across the economy in a low inflation milieu. They would be bad if artificial constraints on necessary infrastructure delivered profit boosts to only a small base of CCI members. Perhaps the CCI should visit a real capitalist economy, such as that of China or the communist Lao People's Democratic Republic, where it could see that investing in infrastructure grows the economic pie and everybody benefits, including its members. That is why Asia is embracing market forces and is booming.

The more family focused Business Council of Australia laments the federal government's low commitment to infrastructure, citing a \$90 billion shortfall in infrastructure as costing Australia some \$16 billion annually. Seeing the CCI's chief spruiker salivating over the lack of investment in the Howard budget, I now realise that I was wrong to criticise the state Treasurer's timidity in the state government's early budgets. Clearly the Treasurer was being shackled by bad advice. Now that he has been liberated, he has delivered the sort of great budget I wanted in 2001-02. He has validly based this budget on an oil price of \$67 a barrel. If I had more humility, I would not mention my policy disagreements with the former Under Treasurer and his \$21 a barrel premise, which clearly stopped this government from ramping up our investment program four years ago. United States economist Mark Faber accurately predicted three of the last major economic cycles in world economies. In his view we are in a 15-year commodities boom. Western Australia needs to be investing in Asia. Let us think of what the Singapore government, with its investment arm Temasek Holdings, is doing. It is investing all over the world, including Western Australia. The Chinese government, through a number of corporations, which are its equivalents of the Gold Corporation, has taken investment to another level by investing in other countries. I seriously urge the Western Australian government to look at the Gold Corporation model and at areas where the private sector is too narrow to become involved. If we are serious about sustaining

Mr Mick Murray; Acting Speaker; Dr Graham Jacobs; Dr Judy Edwards; Mr Dan Barron-Sullivan; Mr John Hyde

this economic growth beyond 15 years, we should be seriously looking at the ability for this government to set up entities, similar to the Singapore government's Temasek arm, for investing in economic activities overseas that will bring a greater return to us, and, more importantly, value add to our industry. We should look at the cost of the tyres for mining equipment and value adding to be able to continue the supply, just as China, for the same reasons, is buying up coalmines and joint agreements in iron ore because it is concerned about ensuring supply to keep its economy growing beyond 15 years.

That is the next step in sustaining growth. Our universities are doing it with their campuses in Asia, and many of our businesses are doing it with their offices in Hong Kong and elsewhere in Asia. The time is right for the Western Australian government to look at the GoldCorp model and the WA Treasury Corporation model, and other niche areas, so that we can further develop the Western Australian economy. The Western Australian economy is not limited to the boundaries of the Indian Ocean. We are part of Asia. Our future lies in Asia.

Debate interrupted until a later stage of the sitting, pursuant to standing orders.

[Continued on page 2893.]