

TAXATION LEGISLATION AMENDMENT BILL 2015

Second Reading

Resumed from an earlier stage of the sitting.

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [2.47 pm]: When I was speaking on this Taxation Legislation Amendment Bill earlier, we were distracted momentarily by a lengthy conversation about the standing orders, in particular standing orders 94 and 97. While that was going on, people in the house were starting to sit and take their places for question time and there was a certain amount of disturbance not dissimilar to —

The ACTING SPEAKER (Ms J.M. Freeman): Members, can I draw your attention to standing order 95, which states —

Members will not converse noisily or otherwise disturb the proceedings.

A number of members are doing that at this point in time and they might like to take themselves out of the house where they can continue their conversations.

Mr R.H. COOK: Today we are debating a very important issue and I want to talk about the attacks on young people and the community of Kwinana. The Taxation Legislation Amendment Bill is an attack on young people in Kwinana. It is an attack on their futures and on their jobs, and it is an attack on the general community. Once the opportunities, jobs and the futures of young people in the community are undermined, the community itself is being attacked. I want to talk about the very important issue of youth unemployment. While there are Liberal governments at both the state and federal level that continue to take actions that cut and undermine activities that provide young people with skills, jobs and a future, we will all bear witness to the attacks on our community in general. This bill will raise a tax on employment. The bill introduces a gradually diminishing tax threshold from 1 July 2001. Under the legislation, the proposed benefits of the tax-free threshold will gradually phase out for employers or groups with annual taxable wages in Australia between \$800 000 and \$7.5 million. The measure will raise \$397 million over the next three years. This is \$397 million that will be taken from employers around Western Australia and, in the context of Kwinana, taken from the wages of young people there who would otherwise be able to gain jobs and opportunities.

Mr W.R. Marmion: Member, I think you said 2001, but you meant 2015.

Mr R.H. COOK: I thank the minister.

In Kwinana there is an estimated youth unemployment rate of between 20 and 25 per cent. I say it is estimated and that is the best possible guesstimate I have been given by employment services in the community. Unemployment was about 4.8 per cent in 2013–14 and was estimated in the midyear review at about 5.25 per cent, so we have seen a gradual increase in unemployment rates. Therefore, we can estimate that youth unemployment, which has traditionally floated around the 22 per cent mark in recent times, would be somewhere between 22 and 25 per cent. The impact of youth unemployment is that it destroys futures and lives. It costs the community and the economy. If we fail to take the opportunity to address a significant reason for being here as members of Parliament, which is to motivate young people, provide them with an opportunity in the future and ensure the development of this crucial part of our economic capacity—the human resource they represent—we fail to develop that resource and we fail to reap the rewards of the growth in our economic capacity. The measures in this bill and in other decisions by the federal and state Liberal governments will have a negative impact on youth employment. I will come back to the specifics of the bill shortly, but I want to reflect for a moment on the other issues for Kwinana's unemployed people.

I have been appalled to hear recently that important youth employment programs, such as the youth employment scheme run by Bridging the Gap, have been axed in the Kwinana area. This is a very important program. It essentially took young people who had left school and had not held a job for two years and made sure that they had training opportunities and job opportunities. That program has been run with a success rate of 84 per cent. Many people in my community, particularly those running these employment programs, suggest that mental illness and crime in the area will rise as a direct result of axing these programs. If young people, many of whom are multigenerational unemployed, fail to get the opportunities in life at this crucial point in their journey, the obvious consequence is that they will continue to struggle with the pressures of life, and our economy will continue to miss out on the important contribution they might make by having jobs, and our community will continue to struggle with the impact of antisocial behaviour, which is often associated with high unemployment levels. It is an absolute disgrace that the federal Liberal government has decided to axe these programs.

In addition, the Barnett Liberal government has significantly increased fees for attending TAFE colleges. TAFE is an incredibly important part of a community like Kwinana, because TAFE equals skills, which equals jobs. If we place more obstacles in the way of young people getting those skills at TAFE, they will fail to get the jobs,

and we will continue to see this cycle of youth unemployment taking hold in areas like Kwinana. Under the Barnett Liberal government, TAFE fees have increased by up to 515 per cent since 2013. This is an extraordinary increase in fees, and it is constructing significant obstacles to young people improving their skills, getting jobs and improving their lives. TAFE is the lifeblood of our skills base and service sector. We need the fees and the obstacles to young people attending TAFE to be removed as much as possible, or to be kept down so that they can get the skills and the jobs they need so that they can pay the taxes that we need, and they can continue to make a contribution. However, if all that the decisions of the federal and state Liberal governments are doing is placing more obstacles in front of young people, cutting away the very programs that can provide them with opportunities in life, we will continue to see the ongoing antisocial and degenerative behaviour that we often see in these communities.

The Barnett government must reverse these massive fee increases, because TAFE is a significant part of the lives of people in Kwinana. One of the reasons for that is that there are a lot of trade employment opportunities on the Kwinana industrial strip that young people have often taken advantage of. I want to remind members of the important contribution the Kwinana industries make to the community. Kwinana industries generate an annual output valued at almost \$15.8 billion. They have direct sales of \$8.51 billion. They directly employ—this is the important part of it—4 800 people, of whom 64 per cent live locally, either in the electorate of the member for Rockingham or in my electorate of Kwinana. If we fail to produce the opportunities for these young people to work on the Kwinana strip because they are not getting the skills and the job readiness that they need to take up those opportunities, we will continue to see youth unemployment at intolerable levels. In addition to the 4 800 people directly employed in the Kwinana industries, 26 000 people are indirectly employed as a result of the economic activity on the Kwinana strip. On the one hand, the federal government is cutting youth employment programs and, on the other hand, the Liberal state government is raising fees for young people to go to TAFE. The Kwinana industrial strip is a crucial area for employing these young people.

As we know, significant challenges confront businesses in the industrial area. It is said that it is an area in transition, moving away from light and medium engineering, and metal fabrication-based industries to service-based businesses that need to operate in this area. If we say that an industry is in transition, we must know what it will transition to. We have to provide leadership for the businesses in the area through the growth of infrastructure and industry policy to make sure that this transition takes place. Businesses, particularly metal fabrication firms, are saying to us that whereas before they would employ significant numbers of young people, particularly young people enrolled in apprenticeships, nowadays they are having to cut back on those workers as their forward orders become lumpy and they have less certainty about the future for their businesses. The first people that they will put off are the apprentices. Of course, the apprentices are the young people who have grown up in the area and rely upon these apprenticeships and training opportunities for their futures.

[Member's time extended.]

Mr R.H. COOK: What is the Kwinana industrial area transitioning to? Where is the leadership from this government about where we are taking that transition to? Where is the development of infrastructure? Where are the industry policies to make that transition smooth and forthcoming? Young people in the Kwinana area rely upon these businesses. These businesses are the very ones that employ most people in our community. Small and medium-sized businesses are responsible for employing the large proportion of people in my community.

It has been written into Liberal Party folklore that a payroll tax is a tax on employment. If payroll tax is increased, jobs are essentially taxed. For the life of me I cannot work out why we are now sitting here debating a bill, introduced by a Liberal government, to increase payroll tax. The Chamber of Commerce and Industry of Western Australia has made some commentary about this. According to a CCI media statement —

The State Government's decision to increase the payroll tax burden has further added to costs and caused businesses to scale back hiring workers, according to a survey of Western Australian businesses.

The CCI goes on to state —

Because of the clawback policy: —

That is the bill implicit in this —

- 84 per cent of businesses expected to be less profitable
- 82 per cent were less likely to increase staff wages
- 81 per cent of businesses expected to hire fewer new employees.

These new employees are the young people of Kwinana who are today trying to plan their futures. This Liberal government is now legislating to deny young people job opportunities, not because of good economic management—because we know from the debt levels that economic management by this government has been

shambolic—and not because we know that it believes payroll tax is a good thing, but because it simply has no other choice because it has blown the books.

We know the government does not want to do this. It did not want to introduce this bill into this place. In February 2013, just prior to the last state election, the Treasurer gave a commitment that a re-elected Liberal–National government would do the exact opposite—that is, rather than increase payroll tax by a further \$397 million, it would in fact reduce it by \$212 million through further legislation. The government not only is repudiating its own principles on legislative and taxation discipline, but also, quite frankly, lied to the people of Western Australia prior to the last election. This bill is a disgrace in terms of not only economic management but also electoral honesty. The government is once again breaking a promise to the people of Western Australia.

For the life of me I cannot work out how the government lives with itself introducing this legislation to Parliament. This runs contrary to everything that the Liberal Party believes in. This is the single act that the Liberal Party is so quick to criticise in any other government. Increasing payroll tax is a tax on jobs. It is the rhetoric that the Liberal Party has relied upon for decades. It is the rhetoric that it has relied upon in taxation debate after taxation debate. This will result in the death of the government. When a government does things that it knows are wrong, that it knows in principle are the wrong things to do as it is the very thing that it opposes, but it goes ahead and makes these decisions at any rate—because it knows it has no other choice because myriad bad decisions have led to the disastrous state of our finances—we will see the death of that government. The government does not believe a word it says in this legislation. Not only does it not believe it, it also does not want to do it but it knows that it has no choice.

This legislation will pass through Parliament. It will be another broken promise to the people of Western Australia, which is the reason it should be opposed. It will continue to be a tax on jobs, particularly on young people's jobs in my electorate. That is what I find most disgraceful—those small and medium-sized businesses in the Kwinana area are the ones that do the heavy lifting when it comes to employing young people in Kwinana. This legislation will put another block on those companies putting on an extra apprentice or an extra trainee, or hiring an extra early years' skilled worker. Because the legislation will do this, I find it most repugnant of all. Places such as Kwinana that have their social challenges will continue to have those challenges. They will continue to have those challenges because of the decision this government made to increase TAFE fees, because of a decision its colleagues in Canberra made to cut youth employment programs, and because of the decision the Western Australian government has now made to tax employers who would otherwise employ young people in the Kwinana electorate and who now, according to the Chamber of Commerce and Industry, are inclined not to do so.

Let this legislation be on this government's head. The government will pass this legislation. It will hate itself while it is doing it. It knows it is the wrong thing to do, but it will pass this legislation as it has no choice because of all the bad decisions it has made around the state's finances. As a result, it will lead to this government's inevitable death.

MR M.P. MURRAY (Collie–Preston) [3.09 pm]: I wish to follow on from the Deputy Leader of the Opposition on the Taxation Legislation Amendment Bill 2015. Taxation is an unfortunate scourge on our community. It is something we have to have to function properly. Taxation provides hospitals, roads and education—all those sorts of things. When Western Australians are misled by this government about how and where they will be taxed, that is a blight on this house. It is a complete blight on the Barnett government. It has promised the world on anything and everything so it could be elected at any cost. The cost is now coming home to roost. In some ways the cost will destroy our future; the future that many children, students—the lot—hold dear about their education, about jobs into the future and about what they thought might be possible, including buying a house. Now there will be an increase in payroll tax instead of the decrease that was promised. Now those jobs will not be available. Many people in the business community say, “Get rid of payroll tax and we will increase jobs remarkably.” I do not say that we have the capacity to drop payroll tax immediately, but a program was put in place by this government to reduce it over time. That program has now been dismissed and removed from the agenda. It is shameful to think that going into the last election the small business policy statement made by the Liberal Party was —

If re-elected, a Liberal Government will focus on practical measures that will make life easier from small business. These measures will include:

- Further tax payroll relief to business worth \$121million.

Now we find that it is just not the case—in fact, quite the opposite. Now, an additional \$397 million will be collected from small businesses over the next three years. That is shameful! It does not even hold today's existing rate but goes over and above anywhere near the average of the day, including the \$121 million of payroll relief. It is, if I can find it again, three hundred —

Mr W.R. Marmion: And ninety-seven!

Mr M.P. MURRAY: I thank the minister. An amount of \$397 million in payroll tax will be collected that was not budgeted for by any small business. I understand that it does not affect one group but it does change things to the point that an employer with a payroll tax of \$1 million will pay an extra \$1 313. This is a disincentive to employ people in any industry whatsoever. An employer with a payroll of \$7.5 million will pay an extraordinary extra amount of \$44 000 over that period. Is it any surprise that there is another broken promise? No, it is not at all.

In the couple of years before the last election, we saw pamphlets held up in this house about fully costed promises. If they were fully costed, the government must have known the amount of taxation it would collect on the way through the forward estimates. Obviously, the government had not done its homework. That was borne out when a former Treasurer, Mr Porter, left the scene. He said, “I don’t want to be here anymore. I’m leaving. I’m going to better pastures”—probably brighter pastures at that time, although I do not think he would say that now—“and going into federal politics.” I ran into him one time in the foyer here and said, “How’re you going, Christian?” He said, “Not bad.” I said, “Gee, things are a bit rough on your side of politics.” He said, “I told them so. No-one would listen.” It is therefore obvious why he jumped from state politics. He was touted as a future leader coming from, I would say, very good stock of the Liberal Party—a blueblood is probably a better word for him—but he jumped ship. Why did he jump ship? It is because he could read the figures. He did not want to be caught with the debt over his name that is now evident. He did not want to be regarded as one of the worst Treasurers there has ever been in this house. He was smarter than that. He packed his bags and he left. He left because he did not want a stain on his very—I am trying to be very nice here, Mr Acting Speaker—good standing within the community as an accounting-type person and at that stage as a future Premier. He could not see his way clear because he believed within himself that things were heading the wrong way, so he left.

However, along the way we have seen this government break many, many promises. A couple of those promises were made in my electorate, and one that is quite dear to the community is the upgrade to Collie Senior High School. A \$7 million promise is not forthcoming in the forward estimates. However, now, according to the Premier, the forward estimates are not worth the paper they are written on. I hope that changes because I do not see any government being able to work forward if it does not know what the forward estimates are or may be into the future. There is no real possibility that anyone does not know their household budget from one year to the next for maintenance costs et cetera.

When we look at the issue from that angle, we should be asking why the government makes these promises if the forward estimates are not a true record of the government’s commitment into the future. To me that is why politicians of the day, and probably politicians into the future, are not held in the highest regard. We are seen as schemers—I am talking about both sides of politics—and as people who do not fulfil our promises, yet having the sign “fully funded, fully costed” bandied around at every election centre and being let down by a government saying that things have changed is again another slight for the hardworking politicians of this house who have been undermined by some at the top.

Another indirect tax in fees and charges that were not referred to at the last election—not even spoken about—is one that has been brought to my attention just recently, and that is the TAFE fees that are hurting many people. I want to read a small excerpt from an email from Dylan Philip Roberts, a year 12 student at Collie Senior High School. Referring to the TAFE fees, he says —

... it will certainly make it harder to enter courses after I finish high school. Do me, and the rest of the student body a favour, and let Barnett and his ... liberal cabinet know that they are destroying the future of education for Western Australia, and that along with the cuts to the Education Department, they are only making it worse for themselves and the Western Australian community.

That is from a year 12 student. Year 12 students are future voters and people who will be talking about this issue in student councils and student groups. Those 17 and 18-year-olds, who will be voting at the next election, are already feeling the cuts and unfunded promises of this government that will affect their future, yet we are in only the third year of this term of government. That concerns me greatly.

I move on to the many representations made to me from people in the education system about the removal of education assistants from classrooms or the reduction in their working hours. I have certainly had families come to see me. One is a young mother who has a most gorgeous young child who is not overgrown for his age but who has very strong learning difficulties. When an education assistant looked after him on a daily basis, he made slight improvements all the time. Since having an EA for only two hours a day, he has completely gone backwards. Who has to pick up that? Of course, his family now has to provide the assistance he needs with his learning disabilities. Certainly, I believe that families must play a role, but teaching is a specialised profession and that kid is being disadvantaged, along with four other students at the same school, such is the reduction in the number of hours with an EA. One of the problems with the tests that are given to determine where they fit and how many hours a week they need is the huge gaps between departments. For example, two students might be at level 1, but the disability of one of the students might be 20 per cent greater, which means that that student

needs extra help. The families were not told about cuts to EAs before the election. They are suffering immensely. One of the children I am talking about is what is known as a “runner”—that is, if you turn your back, he is gone—and the school has to spend time looking for him. If we think that they are paying a price, the community will pay a price in years to come because if those kids do not learn to speak and write their name, we will still be looking after them as adults.

The government should have a hard look at how to evaluate the number of hours children are allocated, the money for which comes from our taxes. Perhaps another process could be used, but we should look at the future, not short-term gains that allow the government to scramble money back into its coffers. I understand that Western Australia’s economic picture has changed, but surely education is at the top of our priorities. Indeed, education, health and policing should be first off the rank in any parliamentary process—that is so important—and those areas need good fiscal management, which is not happening. We are watching the whole state struggle—and I mean struggle. There are no major projects in the south west because the government did not forecast the decline in the iron ore price, having relied on it to sustain us into the future. I put some of the blame on our economic forecasters who were still saying that we needed another 20 000 migrant workers in the state this year. We are now experiencing job losses at an extraordinary rate and people who thought they had another three or four years in a job with the same income are now struggling. I am sure that all members in the house have had people come to their electorate offices to ask about jobs and how they can get help to pay their mortgage. A regular complaint is that they cannot afford school fees. Public school fees are meant to be free if people cannot afford them, which is not the case.

There are problems because of this government’s overspending and lack of fiscal responsibility. It has not done the hard work. Sometimes hard decisions should be made, but not if election promises have been made, because that breaks the trust of those concerned, which relates to the bill before the house. In the house tomorrow the government will apply for \$8 billion worth of borrowings. It would be great if individuals were able to borrow a bit more every time they overspend and charge it to someone else, which is what the government will be doing. It has created monuments to itself for which others will have to pay for many years. That is not the way to run government. Yes, we have to spend money and at times we have to borrow money, but the government has gone over and above its ability to manage the budget. Certainly many people wish they could borrow money and not worry about how to pay it back or hit someone up for it and it does not matter who.

I refer to some other issues in the south west. The south west is one of the largest growth areas in Western Australia, yet it has no major contracts for works or projects. Alternatively, big buildings and a football stadium in the city will sustain some jobs into the future, but we do not have that luxury in the south west. The government will create a drive in, drive out workforce. Indeed, as much as there is a fly in, fly out workforce, country people will drive up the freeway to work at the stadium or Elizabeth Quay, which some people are already doing. They will stay in the city during the week and spend money in the city during the week while the economies of their small towns diminish. Jobs will be lost because money is not being spent in those communities. I am talking about the lower end of jobs right down to McDonald’s workers, because no expenditure is coming through the door. Businesses will shrink back and people will be dropped from the payroll and then businesses will have to pay extra payroll tax, which means no jobs—it does not matter which way I put it. It is a full cycle and the government must look at the bigger picture, not just Perth. I think I am right in saying that 78 per cent of the Western Australian population live in Perth. We do not have to do a great deal to stimulate the economies in town outside of Perth. We do not have to work hard, because the needs of those populations are far fewer than those in many other areas.

I cannot stand here and support the Taxation Legislation Amendment Bill 2015. It is another broken promise and the government will have to answer to it at the next election.

MR J.R. QUIGLEY (Butler) [3.28 pm]: I rise to make a contribution to the Taxation Legislation Amendment Bill 2015. Like my parliamentary colleagues, I oppose a tax increase that is contrary to the election mandate and promises the government so recently made.

I note that this increase to payroll tax will raise \$400 million over the next three years. I understand, and it is quite obvious, that the government has the numbers in the chamber to push this tax increase through. It will do so and it will do so this afternoon in breach of the promise it made to the people of Western Australia before the election. In the full knowledge that the government will crunch the numbers this afternoon to push this \$400 million tax hike through, I will say something about the expenditure of that money. There has been debate at both the state and federal level about more services and more infrastructure, which will mean a higher level of taxation generally. The federal Treasurer, Mr Hockey, has already said as much—that there will be an increase in taxes to pay for an increase in services to pay for more infrastructure.

I stand here as the member for Butler to complain, as I have done on several previous occasions—numerous times—about the lack of expenditure in the electorate of Butler. The electorate of Butler is the fastest growing

electorate in Western Australia. The electorate of Butler has 40 per cent more voters than the number in other electorates. All our electorates were evened out before the last election. However, the electorate of Butler has had a boom in population.

If this money is going to be raised as it is going to be raised, I stand here to demand a fair cut for the people of Butler. I want to speak about three things—Yanchep High School, the freeway extension, and the rail to Yanchep. Yanchep High School is a district high school. It services people beyond what was the hamlet or village of Yanchep. People from other districts are drawn into that high school. It was built as a primary school 40 years ago. It has transitioned over the years into a district high school by the addition of temporary classrooms—demountables, they are called —

The ACTING SPEAKER (Mr I.M. Britza): Member, I need to remind you that you need to stick very strictly to the tax bill that is before the house.

Mr J.R. QUIGLEY: I am speaking to the tax bill, Mr Acting Speaker.

THE ACTING SPEAKER: You are going to electorate matters. I have been listening carefully, and I am being guided, but you need to stay very close to the bill.

Mr J.R. QUIGLEY: I will stay close to the bill. I am speaking about expenditure from this \$400 million. It is all very well for the government to bring in these bills to increase revenue, but the people I represent do not get to see any of that money. Before the last election, the government promised, firstly, that it would not increase payroll tax, and, secondly, that it would upgrade Yanchep High School. The government now has legislation before the chamber to increase the tax base that is collected by this government. We want to see expenditure of \$70 million for a new high school for Yanchep. We are hopeless without it. We have children in Yanchep who are getting a second-grade education because of the terrible state of the asset. The government will be raising in this bill \$400 million over three years. That is an ample amount of money to fund a new high school at Yanchep. Look at what has happened in my electorate from the tax base that has been collected. The government started a new high school at Butler. Butler High School now goes to year 12, although it is open only to year 10 at the moment. Butler High School has to accept children from Gingin and Lancelin. That means that Butler High School is being overrun. That is because this government is not spending its tax revenue—which this bill is all about—on building a new high school at Yanchep. I will now move off this, Mr Acting Speaker, and I will speak more directly in grievances tomorrow about what has happened to education in Yanchep, because this tax base or tax collection has not been fairly distributed.

Mr W.R. Marmion: Member, will you take a question by way of interjection? Are you suggesting that you might support this bill if money was spent on Yanchep High School, and the freeway was extended—and what was the third one?

Mr J.R. QUIGLEY: It is the rail line to Yanchep. In 2012, the then Treasurer, Hon Troy Buswell, stood in this chamber and promised that the rail line to Yanchep would be delivered by 2020. He said that the government was already spending money on that rail line out of the 2011–12 taxes. Yet now the government is seeking to raise more taxes, and all the government has done is cancel the rail line to Yanchep. If the minister is prepared to stand up and commit the government to \$70 million to build Yanchep High School; secondly, to come good on Mr Buswell's promise—which was not part of an election promise but was made in this chamber—that there would be a rail line through to Yanchep by 2020, and, thirdly, now that the minister has got the tender in place for the freeway, which is over \$100 million under budget, to extend at least a road-grade highway further north, because it has cancelled the rail line, then, yes, I will do my best to convince my party to change this around and support this bill. However, that would require the minister in the course of the next 20 minutes while I am on my feet to indicate that the government will come good from this \$400 million that it is about to collect over the next three years and complete these projects.

The people of Yanchep have been duded three times over. Firstly, we were told that there would not be an increase in the tax base. Secondly, we were told that millions and millions of dollars—\$10.5 million—would be spent on upgrading Yanchep High School. I agreed that that was a lost cause. The government actually needs to build a new high school. The government has spent Western Australian taxpayers' money on acquiring the site, which is now sitting idle in Yanchep. Thirdly, the government has failed to come good on its broken promise about rail to Yanchep—in fact it was not a broken promise, because it was not an election promise.

I want to come back to how the government is spending our taxes. The Premier ordered an independent review, which was chaired by the director general of the Department of Transport, into rail priorities. That report said that the number one priority in terms of a business case is the last seven kilometres of rail into Yanchep. That is because Tokyu Corporation—that giant development corporation from Tokyo—was ready to unlock its purse and create in Yanchep a university and a health campus, and a huge employment hub that would be bigger than Joondalup. The minister would gather from that more payroll taxes. However, Mr Nomoto, the esteemed chairman of Tokyu Corporation, told me in the boardroom, in the presence of Mr Gin Wah Ang, the managing

director here in Perth—I know that the minister knows him—and in the presence of the Speaker of this chamber and the members for Kingsley and Mandurah and the other members who were on that parliamentary tour —

[Quorum formed.]

Mr J.R. QUIGLEY: As I was saying, in terms of the payroll tax to be collected, Tokyu Corporation explained that once that rail went through, it would unlock its purse and create this infrastructure and create a university, a medical hub, and other employment hubs. That will give the minister a bigger taxation base and result in more payroll tax for the government, because there will be huge employment growth in Yanchep—greater than that in Joondalup. It worries me that the government is raising this tax and it will disappear into the black hole. We get it; we out there in Butler listen. The government is \$30 billion in debt and it is rising and there is a taxation loan bill on the notice paper that will drive up that debt further. What about Butler, the fastest growing electorate in Western Australia—where is its dividend from this huge tax rise? During this debate the minister asked me whether I would change my mind and vote with the government if the rail line was pushed through the last seven kilometres, the high school was erected for \$70 million and the freeway was extended to Romeo Road. I am not driven by ideology; it is the people of Butler who put me here—of course, I will change my vote. The clock is ticking. I can only do it while I am on my feet and I will take by interjection that the minister will give those undertakings on behalf of the government. The people of Butler will then be pleased to see the headline “Quigley crosses the floor to vote for a bill because the government has guaranteed that the rail line will go to Yanchep by 2020; the high school will be built in the next two years; and the freeway will be extended to Romeo Road.” What the preselectors and the Labor Party do to me after I have crossed the floor will not be my worry because I will have had a win for the people of Butler. I am here for the people of Butler.

I am concerned that the people of Butler will not see a nickel out of this extra \$400 million this Taxation Legislation Amendment Bill will raise. They know their children are being prejudiced by an unfair tax distribution. They get it. They see the rising debt in this state but they look around their area and see that in Butler College’s third year of operation there are already 10 demountables on the site. It has two more years to open because it only goes to year 10. I was speaking to the headmaster today and he said there would be 400 extra students next year, which will require another 10 demountables and another 400 students the year after that. With 1 267 students at the moment, that will take the number of students at this new college to more than 2 000 students by 2017. The children there have had to give up their playing grounds to convert them into something that looks like a construction site containing 30 demountables.

The only way this new college can be saved is by building the next high school because Gingin District High School goes to only year 10. Butler will have to take all its students as well. Gingin is in the regions.

The ACTING SPEAKER: Bring it back, member; you are losing me.

Mr J.R. QUIGLEY: I am referring to the distribution of tax because that is the concern. The people of Butler are workers. There are some small business people there but, by and large, there are masses of employed people there who have come from other states and countries to help build the mining industry and to work in the construction and service industries. They will not be paying payroll tax themselves; their employers will be paying it. When they look around for the equitable distribution of the bounty of this payroll tax, they can see that they and their families will be denied. As I said before—the clock is ticking—I promise to cross the floor if, during the course of this debate, the government will give an undertaking that by 2020 the rail will be at Yanchep, the high school at Yanchep will be built and the freeway will go through to Romeo Road. The headlines will be “Quigley will cross the floor”. I will do it for the people of Butler because I am here for the people of Butler first and foremost. I have 16 minutes to go, but I do not hold out a lot of hope.

We are being asked to vote today on another broken promise of the Barnett government. It broke the promise on the Yanchep high school and on rail, and delayed the freeway, although at the very last stretch of its two four-year terms, into its sixth year, the government says, “We’ve let the contract for the freeway; we got it cheap.” Leighton Holdings, or CIMIC Group, as it is now called, which stands for Construction, Infrastructure, Mining and Concessions, put in a rock-bottom bid for the freeway to keep the company workforce going. It has the fat to extend it right through to Romeo Road—no question. Given this Taxation Legislation Amendment Bill that we will crunch through this afternoon, I am demanding on behalf of the people of Butler that the government come good on its promises to the people of Butler, Yanchep, Quinns Rocks—all those people in the north—who the government does not care about. I heard the Minister for Transport say today, “We’ll go ahead with the \$2.2 billion rail line from Forrestfield to the airport because we realise those people are taking an hour to drive to Perth.” Some of the funds this bill will generate, Mr Acting Speaker—I know you have your eye on me—will be poured into that \$2.2 billion. But the analysis in the government’s own report states that on a business case, that rail line to Forrestfield is not required until 2032. Is this bill not about the taxes businesses pay? On a business case, the mere \$300 million extension of rail into Yanchep would precipitate massive investment in Western Australia and Perth to create a city bigger than Joondalup. More and more employers in Yanchep will return the

government money by way of payroll tax, which is what it is seeking to do by pushing this bill through Parliament this afternoon.

Mr D.A. Templeman: Do you want an extension?

Mr J.R. QUIGLEY: I want three extensions. I want one to my speaking time, one to the rail line and one to the freeway!

The ACTING SPEAKER: I will give you an extension of time, member for Butler.

[Member's time extended.]

Mr J.R. QUIGLEY: I realise it is not within your power to give the last two extensions, Mr Acting Speaker; that might be within the cabinet minister's power and I invite him to give it. It is all very well to stand here and talk about the technicalities and the black and white of this bill but the people who vote for us are concerned about what they get from these taxes. As I said, we are not only getting from these taxes another broken promise, but also seeing this \$400 million being watered up against the wall on a \$2.2 billion rail line from Forrestfield to the airport for which no business case has been presented to this Parliament or the government. We know the business case for the rail extension to Yanchep would show the government a huge dividend for both employment and taxes raised from those employers. We know there is a massive loss of productivity by people sitting on a single-lane carriageway from Yanchep all the way down Marmion Avenue to Quinns. It is chock-a-block from six o'clock in the morning. People in this chamber probably do not know where Amberton is, but the minister will know. Amberton is the second-last stop on Marmion Avenue before Yanchep. When I was first elected to Butler, we sent out letters, as everyone does, to new residents advising them where the office is and welcoming them to the electorate. I used to say the mantra "We're building a street a day." It is more like three streets a day. I think it is hitting four streets a day of completed houses out there and in the morning residents have to come onto Marmion Avenue, with a speed limit of 80 kilometres an hour, as the minister knows, with one lane either way. They have to try to turn right into this mayhem to experience the joy of the trip of over an hour to Perth. By reason of the good financial terms that are able to be secured on the freeway extension from Burns Beach Road to Hester Avenue, which is about \$120 million under budget, and with the \$400 million being raised by this legislation, let the government announce today that the freeway will be extended to Romeo Road because the government has this extra income! I have my eye on this extra \$400 million in income, as do the people of Butler. We will be on top of the \$600 million that the Premier and the Treasurer say they have squeezed out of Canberra for compensation to Western Australia. Where is the money being spent? It is being spent in the CBD on football stadiums and Elizabeth Quay. My electors out there just want the basics—a road to get to work that is not a parking lot at six o'clock in the morning. They want to see employment created out there and that can only be created once the rail head hits Yanchep. We have to hand it to Tokyu Corporation, we have to hand it to Mr Gin Wah Ang, his dad and the chair, Mr Nomoto, because Tokyu bought land off Bond decades ago. It is in it for the long haul.

Mr W.R. Marmion: It was Yanchep Sun City, wasn't it?

Mr J.R. QUIGLEY: Yanchep Sun City. We have the *Sun City News* and there is the Sun City Yacht Club, but we have a black cloud over it—the black cloud of broken promises. It was all sunny until the public got conned by the Premier, who said the government would spend \$10.5 million upgrading the Yanchep District High School to give the kids half a chance. I will indulge a bit, Mr Acting Speaker. A temporary headmaster has gone to Yanchep high school from one of the inner-city high schools to fill in while the headmaster is on long service leave. He walked onto the campus and he was shocked that such a school existed in the metropolitan area. He has already been to see the Department of Education and he has told all this to the school council, which has reported the same to me. He said he did not think people in high school would be taking lessons on what amounts to a verandah in the design and technology department. He is breathtaken by it all, but it is so far north that the government does not care about it. Here is \$400 million coming and we want a \$70 million commitment today, this week, for a new high school there for all those families. A lot of the children coming to that school are coming from the regions. There is royalties for regions, but they are coming to the metropolitan area to get their education because there is not a high school that goes to year 12 at Gingin to serve all those constituents in the electorate of Moore. If the member for Moore were in the chamber this afternoon, I am sure that he would be joining me. He is probably busy in his office writing his speech on this very same subject, which is that his constituents and their families who live in Moore, Gingin or Lancelin all deserve a high school. Their kids deserve just as much of a chance as the children of the families in Mt Lawley and other places in the metropolitan area, and in the country. What disturbs me about this bill, and why I will vote against it this afternoon, is that it will raise \$400 million but not a dime of it will go to these three major projects in Butler.

I take my hat off to Mayor Tracey Roberts; she knows what the game is. She is a very experienced mayor who is non-political. She is not part of the political machine of either side of Parliament, as far as I know. She is truly independent. As soon as the government cancelled the rail to Yanchep and broke a promise to the city and to the

people, she said the government now had to extend the freeway out to Romeo Road because people could not just be left stranded out there. Should madam mayor be listening, which is unlikely, or if she reads the transcript of my humble remarks this afternoon, I hope her worship appreciates that this government is raising a further \$400 million by this bill and that funds are available to satisfy her demands on behalf of the City of Wanneroo that the freeway be extended and an announcement be made that the current build will not stop at Hester Avenue, but will go to Romeo Road. That would service all those communities such as Shorehaven, Eden Beach, Amberton, Jindalee or Allara, which is another huge development that Satterley is bringing on. There has to be some way for people living there to get to the CBD to work and to other places of employment, because there is no employment out there. Why is there no employment there? It is because Tokyu cannot commence the huge development of Yanchep until the rail gets through. There is the money to put the rail through because of the increased taxes.

Here is what the Minister for Transport can do. The federal government said its knitting is not rail—it does not know how to spell “rail” it only got to “road”. The federal government did the alphabet backwards “R-O-A-D” not “R-A-I-L”, so it will only knit a road. The government should get on and knit the road to Romeo Road and that will allow it to commit the \$400 million, or part thereof, to extend that rail through to Yanchep, which will suddenly precipitate industry and employment there. I note that the member for Swan Hills is here as well and he was at the meeting with the Tokyu Corporation. He is nodding in assent. The member for Swan Hills knows that we are not being party political. He was there and was fully appreciative of what Tokyu’s plans were for developing employment in Perth, especially with the mining industry going down. The member for Wanneroo was there as well and he has also called for the extension of the freeway to Romeo Road. The member for Wanneroo, who will vote for this bill, should use his influence as a parliamentary secretary to make sure that this freeway is extended immediately to Romeo Road, because the funds are now here. The funds will be delivered through this bill. The taxpayers of the electorate of Butler want to see what is coming out of this bill for them. I repeat, the three things that need to come out of this bill are, firstly, \$70 million for a new high school at Yanchep; secondly, for the government to make good on its broken promise to the people of Yanchep about the rail line being there by 2020, which could be done with \$320 million; and, thirdly, to get the feds to pay for the extension of the freeway through to Romeo Road and service the fastest growing and biggest electorate geographically and by population in Western Australia. There are nearly 35 000 constituents in my electorate. They deserve a dividend from what the government is doing here this afternoon, and in the absence of the minister rising to give this house the undertakings that the three things he wanted to know about will be delivered, I will have to vote against this bill, because it will raise taxes without any benefit to my constituents.

MR D.J. KELLY (Bassendean) [4.00 pm]: In the few moments I have before we change topics at four o’clock, I might just say the words “broken promise” as often as I can because that is exactly what the Taxation Legislation Amendment Bill 2015 represents. If members want a succinct summary of what this bill is about, it is this government yet again breaking promises that it gave to the people of Western Australia prior to the last election.

Debate adjourned, pursuant to standing orders.