

Deputy Speaker; Mr Colin Barnett; Mr Mike Board; Mr Dan Barron-Sullivan; Mr Max Trenorden; Dr Geoff Gallop; Ms Alannah MacTiernan; Mr Rob Johnson; Acting Speaker; Mr Eric Ripper; Dr Janet Woollard

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**LABOR GOVERNMENT, FINANCIAL MANAGEMENT AND ELECTION PROMISES**

*Matter of Public Interest*

**THE DEPUTY SPEAKER** (Ms Guise): Today I received a letter from the Leader of the Opposition seeking to debate as a matter of public interest the following motion -

That this House condemns the Labor Government for a year of financial mismanagement and broken election promises.

The DEPUTY SPEAKER: If sufficient members agree to this motion, I will allow it.

[At least five members rose in their places.]

The DEPUTY SPEAKER: The matter shall proceed on the usual basis.

**MR BARNETT** (Cottesloe - Leader of the Opposition) [3.33 pm]: I move the motion.

The good news for the people of Western Australia is that we have had one year of a Labor Government; the bad news is that there are another three years to go. This Government was elected on the lowest popular vote of any post-war Government at just 37 per cent. This Labor Government has by any standard failed to provide good government for the people of Western Australia.

One might expect an Opposition to say that, but let us consider what some of the commentators say. *The West Australian* editorial of 9 February 2002 comments -

It has been, at best, a dismal first year . . . West Australians have merely replaced the arrogance of the former coalition government with the incompetence of Labor.

That is the point - the incompetence of Labor. What have others said? *Business News* comments -

Just 365 days on, the Gallop Government is looking decidedly unimpressive.

The Conservation Council comments -

At the end of its first year in office the Gallop Government is not travelling well. Some are predicting that it may be a one-term government.

I would have thought that the Conservation Council would perhaps be a friend of the Government. *The Australian* comments -

A year after a compelling victory at the State election, Labor MPs are getting increasingly frustrated about still being treated like losers.

So it goes on. This Government has concentrated on social issues and ignored business, economic and employment growth in the State.

A year ago the Premier came into this Parliament and boasted about accountability and open government. He talked about ministerial standards and standards of conduct of members of Parliament. However, when he had an opportunity almost immediately, he failed to act upon the conduct and the failure to be truthful and honest of the Minister for Planning and Infrastructure. He had a second opportunity during this summer break when the member for Innaloo was caught out trying to influence police procedures. Again this Premier failed to act. Let us consider what a few people had to say about the conduct of the member for Innaloo. *The Australian* commented -

State Police Commissioner Barry Matthews yesterday branded the contents of a letter from a government MP as inappropriate . . .

The *Sunday Times* commented -

On Friday Mr Quigley, a long-time lawyer for police before entering politics, spoke to WA Police Union president Mike Dean and threatened -

He threatened -

to end the career of a young constable who arrested his son if he was found to have done anything improper.

What sort of conduct is that? It was labelled improper by the Commissioner of Police and labelled as threatening to a junior police constable by the Police Union. The point I make is that this Premier did not act. He remained silent, as he did when he had the opportunity 12 months ago to act on his minister's conduct.

There is confusion in the public sector and a lack of concentration on economic development. This Government has spent the past 12 months totally preoccupied with its social agenda for minority interests in this State,

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whatever the merits of the issues might be. It spent almost all last year debating gay and lesbian issues. The reality is that the relevant Bill has yet to be debated in the upper House. The Government spent the other part of the year intent on taking representation away from country people in this State. Where is that piece of legislation? It is currently before the Full Bench of the Supreme Court, and in all probability is headed for the High Court. The Government has a social agenda on gay and lesbian reform and reducing the representation of country people, and both those issues are at an impasse. It is a Government totally preoccupied. Where has it been and what has it done in the important and key social areas of health, education and law and order? Where has it been particularly with health and education? It cut the education budget and it has not delivered at all on its promises on health. It is an absolute disgrace. On the important issues of health and education, the Government has been an absolute failure. Others may comment on that.

While the Government has been worrying about gay and lesbian reform and been totally preoccupied with it, and while it has been totally preoccupied with taking away the representation of country people in this House of the Parliament, what has been happening to the economy? The economy has been changing. When I came into this Parliament a year ago I warned members opposite to watch the employment participation rate and the unemployment figures. Last month unemployment figures jumped. They do jump around from month to month, but they jumped significantly last month. Do members know what this means? It means that in the past 12 months unemployment has increased in this State by 10 400. Some 10 400 people who had a job a year ago now are unemployed. That is the economic and social legacy of just one year of Labor. Members opposite should not talk to us about social priorities and the like. The greatest social good in this State is for people to have a job or a good prospect of a job. That gives security, a lifestyle and social fulfilment to people and families. If members think that 10 400 people are merely one statistic, another statistic is that 2 600 fewer people are employed today. It is not merely a growth in population or a change in the participation rate; 2 600 fewer people are in employment in this State.

What does this Government propose to do in its second year? It is hell-bent on going down the path of industrial relations law reform to try to recreate the inflexible system of the late 1970s and early 1980s. It is a system that is not conducive to employment growth. It will discriminate against part-time workers, casual workers, young workers, female workers, migrant workers and the like. The Government seeks to go back to the dark, old industrial dispute days of the late 1970s and early 1980s. It is as though this Labor Government believes it can wind the clock back 20 years. It is totally out of touch with the reality of the modern workplace. More importantly, it is totally out of touch with the aspirations of today's young people - the me-too generation - who like to be able to make their own decisions in the workplace and in every other aspect of their lives.

What will this Government's social agenda be this year? Its No 1 priority is to decriminalise cannabis and its second priority will be to increase the availability of and access to drugs in society. It appears the Government did not notice the results of a study published during the summer. I refer to the comments made by Professor George Patton, a researcher from the Royal Children's Hospital in Melbourne, "that there was a very strong association between cannabis use and mental health problems such as depression and anxiety. The results of the study provided the best evidence yet that cannabis is bad for mental health and causes a high rate of depression and anxiety problems". Although that is the most conclusive study on cannabis ever done in Australia or internationally, this Government intends to decriminalise cannabis and increase the availability of and access to drugs for young people. We had the gay and lesbian reform legislation last year and we will have the decriminalisation of drugs this year. Meanwhile, 10 400 people who had jobs a year ago now are unemployed. That indicates the economic and social priorities of this Labor Government.

This State's finances are an absolute shambles. I will give members a brief history of what has happened. The problems began during the election campaign when the Labor Party made commitments totalling \$1.2 billion, a figure three times higher than the cost of the election commitments made by the coalition. It added a further \$300 million to the cost of those commitments in its first six months in office. There was a pre-election and post-election expenditure commitment of \$1.5 billion.

The Government then set about creating a smoke screen. As we heard today, the financial problems were caused by the coalition and the Barnett black hole. Members will recall that speech. It was the most irresponsible ministerial statement ever made by a Treasurer in this Parliament, and it was very irresponsible for a Treasury and a Treasurer to deliver a political attack of that nature. It was absolutely contemptible. The Treasurer went on to talk about the budget deficit. However, in May he was caught out, because the Treasury figures showed that there was no deficit; there was a \$221 million surplus. "Ding", the Treasurer was caught out within the first few months of taking office. We now conveniently find that Treasury has redefined the surplus down to a figure of \$102 million. Nevertheless, a significant surplus was delivered. The Treasurer talked about deficits when there was a strong surplus, even though he tried to redefine it, and he misled the public.

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We then came to Labor's first long-awaited budget. What a joke that was. It was fundamentally flawed because it made a ridiculous assumption that oil would be \$27 a barrel when it had not been sustained over \$20 a barrel for about three years. It was an absolutely ridiculous assumption. Assumptions about economic growth were made in the budget, which no-one else shared, and those assumptions were proven wrong. The Government assumed it would save \$852 million in the public sector, but it had not accounted for those savings, and it still has not achieved them. That is the fundamental problem. This Government has not made the savings it forecast it would and it has not delivered its promises. The premium property tax was part of this great budget. In a matter of four weeks the Treasurer did three backflips then, under pressure from his federal colleagues, he dumped the tax on the eve of the federal election. That was what it was all about. He dumped the premium property tax and then said that the State's budget was \$12 million short, so savings had to be made. Whom did he hit first? Straightaway he hit country Western Australia by taking \$5 million out of the so-called regional investment fund, and I will return to that issue. However, the first instinct was to hit the bush. That is what a Labor Government does.

This hapless Treasurer continued until he could not avoid a midyear financial review. The review was completed and Treasury released a 70-page document containing analyses and figures. The Treasurer put out his press release indicating that things were not good; growth was low and the price of oil had fallen. The Government then had to allocate \$70 million to health. All last year the member for Murdoch said that the Government had not adequately funded health. Suddenly, the Government had to find \$70 million. This was another flaw in the budget. The Treasurer announced that there was a \$9.5 million surplus. It was a paper-thin surplus, but the Government was still in surplus. Two weeks later, on 8 January, it emerged that, without the knowledge of its management or board, the Treasurer intended to take \$20 million out of Western Power. This was not related to dividend policy or the management of that utility; he was just going to pluck out that money. If this Treasurer was being honest, accountable and open, one would expect to find some mention of the \$20 million in this 70-page financial report. However, it cannot be found anywhere in the document. There is no doubt about it, the Treasurer deceived the public of Western Australia. At the time of the midyear review the budget was in deficit to the tune of \$11.5 million and the \$20 million was not accounted for. It was a deceitful and dishonest act that reflects poorly on the position of Treasurer of Western Australia. Never in my experience have I seen a Treasurer behave in such a deceitful and dishonest way.

The midyear review created a problem similar to that created by the premium property tax. Less money was available to the Government and it was necessary to make some funding cuts. The first place the Treasurer did this was in country areas. He hit the forest process, the regional investment fund and salinity funding. Salinity funding is now down \$4 million and the regional investment fund has lost \$12 million. The Treasurer immediately went to the bush. Why not? Next time around those electors are not going to have much of a vote. This again highlights the political link between electoral change and the priority of the cuts that are imposed by this Government. It is a dishonest and inept process.

We then find that in early February the Department of Treasury and Finance and the Office of State Revenue, which is now a subdepartment, are imposing a broader definition to the term "subcontractor". It is not only suddenly widening the definition for payroll tax purposes, but also it is backdating it five years. One engineering firm with a turnover of \$5 million a year has been ordered to pay tax totalling \$678 000. Suddenly there has been a rush to obtain revenue by broadening the definition of payroll tax and imposing a backdated tax. This is an example of a Treasury and a Treasurer not in control.

Dr Gallop: What about the Treasury?

Mr BARNETT: Is the Premier going to blame the Treasury? He should blame his Treasurer. The Treasurer is accountable, just as the Premier is accountable in his role. The Premier failed to act with regard to ministers, and the Treasurer has failed to act in his job.

What is the net result? The net result is net debt; that is the bottom line for the State. According to its midyear estimates, the bottom line for the State in this Government's first fiscal year, is that state debt will rise by \$910 million. That is a 21 per cent increase in just one year. When I first came into this Chamber one of my first speeches was about state debt. At the time the Lawrence Government, of which this Premier was a minister, was increasing the debt of the people of Western Australia by \$1 billion a year. This was not necessarily related to WA Inc, but rather to the incompetent economic management in which this Premier, because of his responsibility for the State Government Insurance Commission, was directly involved. He was the then minister assisting with financial matters. What do we now find? We are one year into a Labor Government and nearly \$1 billion has been put straight back onto the Bankcard of the people of Western Australia. What has the Government got to show for it? There is nothing to show for it. There is no new tunnel and there are no new bridges or recreation facilities. What do we have to show for that debt of \$910 million? What makes it even more concerning is that we have not even got to the issue of the south metropolitan railway. That project was

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postponed for a year. When its cost blow-outs are taken into account, what will happen over the next few years? Within one year this Treasurer and this Government have lost control of the finances of this State. They have been too preoccupied with prattling on about forward estimates, Barnett's black hole and budget deficits. They played politics instead of doing the job of properly managing the finances of this State. This Government has now been caught out with an increase in debt of \$910 million.

I conclude with the point that the Treasurer now has a solution. Labor Party members should listen. Do they know what this Treasurer is now proposing? He is proposing to go down the path of something called "PPP". Members might wonder what PPP is. I believe it is pathetic policy position. I suggested another description to the member for Kingsley, who advised me not to use it; however, members can use their imagination. PPP means that this Government, because it is so much in debt, will now negotiate with the private sector to build basic facilities such as schools, hospitals and police stations, and recreational and arts facilities. Those facilities do not themselves earn income - they are of benefit to the community but are not income-earning in a monetary sense. They will now be funded by the private sector and this Government will lease them back. For the first time in the history of Western Australia, children will attend government schools not owned by the Government. That is the path down which this Premier and Treasurer are taking us; they are taking us down the path of PPP. Government members prattle on about being socialists and Trotskyites and they march about stating that they are true believers in government and the social system. However, schools, hospitals, police stations, sports halls and theatres will now be owned by the private sector and rented by a Labor Government. For the first time children will attend government schools owned by the private sector.

Ms MacTiernan: That is not even government policy.

Mr BARNETT: I am sorry, but does the minister want to hear what her Treasurer said? He released a discussion paper and wined and dined with Tony Blair's mates around the United Kingdom. The Treasurer thinks it is a wonderful idea. He has asked business what it thinks about PPP. That is what the Treasurer is on about and the minister does not even know about it. Why would she know? She knows very little at all. The reality is that this Government has got itself into deep financial difficulty. It is \$910 million in the red and it will now go down the path of schools in Western Australia being rented, not owned, by the parents and kids of this State. It is an absolute disgrace.

**MR BOARD** (Murdoch) [3.55 pm]: The media release of 4 February 2001, a week before the last state election, stated that fixing the crisis in the State's public hospitals would be the number one priority of a Gallop Labor Government. Dr Gallop said that restoring public confidence and staff morale in public hospitals would be his greatest and most rewarding achievement in government.

It does not give me great satisfaction to stand in this place and tell you, Madam Deputy Speaker, that our hospital system has deteriorated greatly in the past 12 months. That is not just a political statement; it is the reality of the situation. One need only visit any hospital, travel throughout the community or talk to a member of any hospital board or medical service in Western Australia to hear people say exactly the same thing: that they are far worse off after 12 months of a Labor Government; they are being starved of funds; they were misled during the election campaign; and all they have seen or heard is rhetoric, a lack of action and mismanagement of funding.

I stood in this place when the state budget was announced in September last year and I said to the minister at the time that his budget was dishonest, in that he was bringing down a budget in September knowing that the funding for tertiary hospitals in Western Australia had blown out by tens of millions of dollars. He denied that. He said that he had control of the State's health finances, was making reforms through the Health Administrative Review Committee and was making the tough decisions that needed to be made. Within two and a half months of that statement, the Government poured another \$70 million, on top of the budget, into the blow-out in our tertiary hospitals. That was because the Government knew that the system was growing by six to seven per cent a year but it was not prepared to fund that growth. In fact, it went farther than that and sacked the Metropolitan Health Service Board, which was established to make the tough decisions and reforms that needed to be made. This Government sacked that board, and had no way of implementing those decisions. This minister and this Treasurer brought down a dishonest budget in September last year when they knew that the public hospital system, particularly tertiary hospitals in the system, was already between \$20 million and \$30 million in deficit and that by Christmas there would be a \$70 million injection of funds. A week ago another injection of \$20 million was made because the media's scorecard on the Government's performance, particularly its performance in the health system, was so bad that the Government had to buy itself a bit of publicity. Therefore, another \$20 million from forward estimates was allocated to the health area. The Government cannot continue making ad hoc decisions in the health area, it cannot continue putting everybody off side and it cannot continue sacking hospital boards and expecting support for the reforms it needs to make.

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Let us consider the rural health sector. I challenge this Premier and this Treasurer to go into any rural hospital in Western Australia and get a positive report card on the Government; they will get not one. I challenge them to do it tomorrow. People in those hospitals will tell them exactly what I am telling them today; that is, they were told they would get budget increases but in reality they have had significant cuts. That is the reason the chairmen of their boards are resigning and the communities are in disarray. That is the reason other members of Parliament are working with their communities to restore some services. At every hospital in the rural areas that I have been to in the past six months I have been told exactly the same story: they have had to cut clinical services, they no longer get the support they need and they have been forced into making difficult and radical decisions. I could talk about dental health, negotiations with the doctors and nurses and the fact that there is not one extra nurse in the system after 12 months of this Government.

Dr Gallop: When are you going to do a bit of work and come up with a decent argument? You are paid a lot of money.

Mr BOARD: I do not go around telling people a lot of false stories about their situation. I tell them that the Liberal Party in government will make some changes. The Government sacked the board that could have made those changes. That was a political decision and it left itself in a big hole, and now nothing is happening. It has the Health Administrative Review Committee and Beresford reports but not one decision has been made to improve the health system. The Premier should not believe only what I say. He has said that I am a politician, but he should go out and talk to people in their communities and the people in the health system, and they will judge his performance over the past 12 months.

**MR BARRON-SULLIVAN** (Mitchell - Deputy Leader of the Opposition) [3.58 pm]: The Government does not give a damn about the country. I am not the only one to have said that; that is what one currently hears in pubs and in the country. Anyone who travels around country Western Australia at the moment will know that people are saying that this Government does not give a toss about them. One need look only at a number of things that have occurred in the past year to realise why people have that impression of the Government's real position on country WA. In the last budget, road funding was cut for the next couple of years by more than \$200 million. The infill program is being decimated. The Government must organise its budget sensibly. It has \$1.5 billion worth of election promises to meet, and it is doing so at the expense of country WA. When the Treasurer gets his numbers all muddled up, the rural areas are the first to pay the cost. It has ripped \$12.5 million from this year's regional investment budget and \$12 million of the forest assistance package has been deferred. The Government's excuse is that there has been a slow take-up rate, so it can remove that funding. It has also removed \$4 million from the salinity control budget. This is the Government which said it would care for small business in the country but which would not provide drought assistance in exceptional circumstances areas. This Government still has not done anything about the builders' indemnity insurance problems that are wrecking the lives of families that rely on the building industry throughout country Western Australia. The bottom line is that country people have paid in another way - unemployment has skyrocketed. In Albany it has increased by five per cent; in Bunbury by seven per cent - 218 breadwinners have lost their jobs; in Collie by seven per cent; in Kalgoorlie by only one per cent, but it has increased; in Mandurah by nine per cent - 200 more people are out of work; and in Northam by 22 per cent under this Labor Government. All but one of those regional centres have experienced an increase in unemployment greater than the state average. That is what the Labor Party is delivering to country Western Australia. It is no wonder they say this Government does not give a damn about them.

**MR TRENORDEN** (Avon - Leader of the National Party) [4.01 pm]: The National Party wholeheartedly supports this motion. Prior to the last election, the Labor Party made a number of promises about rural Western Australia. On the strength of that, it picked up four seats - Collie, Albany, Bunbury and Geraldton. The critical parliamentary issue for the National Party over the past year has been the one vote, one value legislation, which rips the heart out of our constituency and places it in the metropolitan area, where it is not required nor wanted.

Several members interjected.

Mr TRENORDEN: It is not required. It does not happen anywhere else in the world; why should it happen here?

Several members interjected.

Mr TRENORDEN: I have a few seconds, so I will not waste my time talking about that.

The Attorney General has said that country people need more services, not more representation. Let us consider those services. We have experienced country hospital ward closures; \$12 million has been removed from the regional infrastructure fund and \$2 million has been removed from the regional airport scheme budget; the Government has failed to extend the port of Broome and to provide \$158 million in funding for regional land

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care; it has cut the road program budget by \$290 million, the salinity program budget by \$2.2 million and the rural health budget by \$25 million. That just scratches the surface. No wonder rural Western Australia is giving this Government's first year in office the biggest thumbs down awarded to any Government since the Second World War. This Government's performance has been extremely bad.

The Australian Bureau of Statistics has stated that Pingelly, Gingin, Boyup Brook, Albany, Nannup, Beverley, Denmark and Murchison are eight of the lowest income areas of the State. These rural towns are the subject of this Government's push to drastically reduce representation and services.

I note that Barry Crocker is coming to the State to present a show about Banjo Paterson. That is tremendous. Paterson talked about the great divide between the country and the city. This Government is determined to make that divide a chasm.

**DR GALLOP** (Victoria Park - Premier) [4.04 pm]: One of the most important issues that has faced Western Australia in recent years has been the finance brokers scandal. The Labor Party committed to setting up a royal commission to get to the truth of the scandal if it won office. The commission chaired by Ian Temby QC has been a real inquiry into that scandal. The royal commissioner's report was presented to the Government after the Parliament adjourned last year. Surely the Opposition knew that one of the Government's first actions would be to table that report and to debate its contents. The Opposition was not capable of debating that matter today.

Mr Barnett: Why not provide a copy beforehand?

Dr GALLOP: It was provided.

Mr Barnett: It wasn't; we don't have a copy.

Dr GALLOP: Royal commission reports are not provided.

Mr Barnett: How can we debate a report we don't have?

Dr GALLOP: As occurred with the Wanneroo royal commission report, we got the speech -  
Several members interjected.

Dr GALLOP: I managed to do it. Surely the Leader of the Opposition is capable of doing it.

Mr Barnett: Don't you want us to read it before we comment?

Dr GALLOP: The Opposition is ill prepared; it is not doing its homework. If it had prepared for the opening of Parliament, it would have been ready. It is a lazy Opposition.

Mr Barnett: Would you like us to make guesses about the report and then comment? You are a very foolish person.

Dr GALLOP: We had to do it in opposition. We knew the issues and were in a position to comment. It is a lazy Opposition and that is revealed -

Mr Barnett: You should have given it to us beforehand.

Dr GALLOP: I cannot give the leader the report and he knows why. The minister's speech was provided.

Mr Barnett: That was political.

Dr GALLOP: What about the Wanneroo and WA Inc royal commissions? The same issues arose, but the relevant Oppositions were capable of debating them. This Opposition is not. Members opposite are not doing their homework.

This is a lazy and predictable motion. It does not deal with any matter of substance; it addresses a general issue. That indicates the shadow Cabinet is not doing its homework; in fact, this Opposition is not doing any work. The Government came back to this place ready, willing and able to debate a range of issues. However, we have been presented with a general motion that we debated last year. The Leader of the Opposition should get his act together and get his members working like we worked when we were in opposition.

Mr Barnett: You are a patronising person. Didn't you read *The Australian* editorial and what the Conservation Council said about your environmental performance?

Dr GALLOP: People are entitled to their opinions. I had a very good meeting yesterday with significant conservationists in this State. They applauded the Government for its decision to stop the logging of old-growth forests and its follow through -

Several members interjected.

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Dr GALLOP: Can the Leader of the Opposition guarantee that the Liberal Party will not allow the logging of old-growth forests in Western Australia?

Mr Barnett: We will debate that.

Dr GALLOP: He cannot give an answer to that simple question.

Mr Barnett: Are old-growth trees being logged today?

Dr GALLOP: What a ludicrous proposition!

Mr Barnett: What is the distinction between a forest and a tree?

Dr GALLOP: That distinction has been well and truly made.

Several members interjected.

Mr Barnett: You can't answer the question.

Dr GALLOP: I can. The Government's old-growth forest policy, as defined during the election campaign, has been implemented. No old-growth forests are being logged in Western Australia - end of story!

Mr Barnett: But trees are.

Dr GALLOP: This Government is serious about repairing and reforming Western Australia. It faced many challenges when it took office. The State was experiencing a serious economic recession and business investment had plummeted. The government system was in disarray and the coalition had no sense of purpose. There were far too many government departments and there was no way the various components of the system could work together to solve problems. The south west of the State faced massive conflict about the future of its forests and that basic disagreement was not resolved using the strategies implemented by the previous Government. The program of social and legal reform that had been recommended by range of bodies, such as the Commission on Government and the Law Reform Commission, was unfulfilled. There were major problems in the health, education and community safety systems. The industrial relations system was designed to discriminate against employees and their associations. Native title was characterised by the institutionalisation of conflict. The coalition Government wanted conflict rather than resolution. Serious social problems, such as child abuse in Aboriginal communities, were consistently put in the too-hard basket by the previous Government.

I have mentioned only some of the most important problems that Labor inherited. This Government has been laying the foundations for a new Western Australia in which economic, social and environmental issues will be considered concurrently in the way the Government develops its policy and designs its government. The Government has already made significant progress in that area by looking at the system of government. If we were to have a proper delivery of government services in our modern society, the Government could not go on with 46 departments of State and 17 ministers who were incapable of working with other ministers to solve problems. The Government has reduced the number of cabinet ministers. Cabinet subcommittees are operating, and we are now proceeding through the smaller departments to get a sense of purpose into government. It is like a big aircraft carrier; it must be turned around.

I will point out to this Parliament an issue in which some of the newer members might be interested. A series of reports, starting with the McCarrey report and followed by the Fielding report and others, that recommended a reduction in the number of departments were given to the previous Government. However, the other side of politics did not have the capacity to reduce the number of departments. This Government did that in its first year. Some legislative matters must still go through the Parliament.

Mr Barnett: Transport.

Dr GALLOP: Yes, indeed. The legislation must be changed to create a unity of purpose within our system.

Mr Barnett: It is because of the conduct of your minister. That is why you have to change the legislation.

Dr GALLOP: It has nothing to do with the minister; it has everything to do with good government. This Government is bringing about a major revolution in the system of government, and it has laid the foundations for that in its first year.

Other issues will take time. I will deal with the health system. A report was produced for the Government by Dr Mike Daube, who is now the Director General, Department of Health. He examined the way health management was working. There was no unified system of health management. This Government is now in the process of creating that unified system.

Mr Bradshaw interjected.

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Dr GALLOP: The member has it wrong. The previous Government had a Metropolitan Health Service and a Health Department. This Government has put the two together so that there is one Department of Health. That is called good government, and this Government did it in its first year in office. There has been \$158 million of extra funding, a major program of upgrading equipment and a major capital works program to improve the quality of our hospitals.

Mr Board: Why would you bring down a budget in September and within two and a half months put in another \$70 million, knowing, because the Opposition raised it in September, that you already owed it then? You misled the community, and you know it.

Dr GALLOP: As the financial year progressed, it became clear that there were extra demands on the health system.

Mr Board: It was clear to everybody but you fellows.

Dr GALLOP: Okay. It became clear that those demands were on the system. This Government managed to find the money to deal with those demands and keep its budget in surplus. The previous Government had five deficits in eight budgets. This Government is managing the affairs of the State.

I will deal with education. The education system was not focused on standards or on literacy and numeracy. This Government has started to turn around that system so that the real focus is on improving the standards of the system. This year the focus will be on teacher registration and establishing a college of teaching to upgrade the status of teaching.

I will deal with law and order. There were serious problems of antisocial and, indeed, criminal behaviour on our trains and buses. The Government is turning that around. Police are on the trains and video equipment is on the buses to expose that behaviour and to make sure that the people responsible are punished. There will be an extra 250 police on the beat, and they are already coming on stream.

In health, education, and law and order, this Government has a clear sense of mission and purpose, and it is proceeding to turn those issues around. It is laying the foundations for a new and better system of government in Western Australia. Underpinning all that is strong and responsible financial management.

Mr Barnett: You've got to be joking! A \$910 million debt in the first year - terrific!

Dr GALLOP: I will deal with the wonderful solution of the previous Government. It sold off assets - the easiest thing in the world to do. When Labor came into government, some of the deals that the previous Government had entered into were costing huge amounts of money. The Treasurer will outline those. They include the Matrix deal and the contract for the railcars. This Government is bringing those areas back under its control, because it will get a better deal for the people of Western Australia. The minister whom the Leader of the Opposition criticised has reviewed the previous Government's wonderful contracts for the delivery of Main Roads' services in rural Western Australia. Minister, remind me how much they are costing the people of Western Australia in the context of a budget blow-out.

Ms MacTiernan: The contracts?

Dr GALLOP: The contracts for the delivery of Main Roads' maintenance services.

Ms MacTiernan: There had been a decline in many country services.

Mr Barnett: It is a bit hard asking her a question after lunch.

Dr GALLOP: What has happened is that as a result of those contracts -

*Points of Order*

Ms MacTIERNAN: The Leader of the Opposition is disgusting and despicable. Mr Acting Speaker, I take exception to this. I ask the Leader of the Opposition to withdraw that comment. I find it particularly ironic, given the amount of time that he spends in the bar drinking red wine, that he could possibly make that sort of comment.

Mr JOHNSON: The minister was not doing too badly until she started slanging off at the Leader of the Opposition.

Ms MacTIERNAN: He is a pontificating hypocrite.

Mr JOHNSON: Any comments that the Leader of the Opposition made were by way of interjection to the Premier; they were not made to the minister or to this House. The comments that the minister made were to this House and to you, Mr Acting Speaker. Therefore, I suggest that there is no point of order. The comments were not derogatory of the minister.



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The ACTING SPEAKER (Mr Andrews): There is no point of order. I clearly heard the comment. Any inference that members draw is up to them.

*Debate Resumed*

Dr GALLOP: One thing is certain: the standards that opposition members set for themselves in the interjections they make and in what they say in this Parliament are interesting.

Several members interjected.

The ACTING SPEAKER: Members, I want to make it clear to both sides of the House that I listen very carefully to what is being said. It appears that a bit of spitefulness and nastiness that goes beyond the normal bounds is about to enter this debate, and I will not tolerate it.

Dr GALLOP: The truth is that the Government in Western Australia today has a clear sense of purpose. It is bringing about reform in our system of government administration. It has saved the old-growth forests in Western Australia and is proceeding to turn around the health, education and law and order systems in this State so that they serve the public. This Government is reversing the madness of privatisation that was proceeded with by the previous Government, and it has put in place a wide-ranging program of social and legal reforms so that all Western Australians are equal within our community. It is a genuine reform Government that is bringing about significant change.

I will deal with the Leader of the Opposition's comments. When a reform Government is bringing about significant change, some interest groups do not like it. Some people in our society are against minority groups getting equal rights, and some are against employees having a fair system of industrial relations so that they can pursue their objectives. One group in this category is the Chamber of Commerce and Industry of Western Australia. Some people in our community do not agree with the policy of stopping the logging of old-growth forests. All those groups are entitled to their point of view, and I encourage vigorous debate in our community. The Government is happy to have that debate. Labor went into the election campaign with a clear view that it would change Western Australia - I do not know how many times I said it in opposition - so that it was a better State, and that is what it is doing. When these changes are made, some people will find it hard to digest them. That has always been the case with reform. However, the Government will be judged by the people at the next election. I have great confidence that the people of Western Australia, when they exercise their intelligence and capacity to judge this Government, will do a much better job than this Opposition has done in the last hour in this Parliament.

**MR RIPPER** (Belmont - Deputy Premier) [4.21 pm]: I am amazed that the Leader of the Opposition can come into this place and talk about financial management. If I were the Opposition, I would not dare to move a motion on financial management until at least four years had gone by and people had forgotten that the previous Government delivered five deficits out of eight budgets. The record of the Leader of the Opposition is three surpluses out of eight budgets. He was a member of the previous Government's budget committee, when he bothered to attend. He delivered four deficits in a row, then one privatisation surplus, and then a set of forecasts for two more deficits. Let us look at the size of some of those deficits. In 1996-97, the deficit was \$197.9 million. If members think that was a bad deficit, what do they think it was in the following year? In 1998-99, the deficit was \$263.5 million. Obviously, the then Government made a major effort in the following year. It got the finances under control and delivered a deficit of only \$135 million. In the next year, 2000-01, the Government made a slightly better fist of it, but it still delivered a deficit. The only way the Opposition was able to get a surplus in its last year in government was by selling Westrail freight and AlintaGas. It ramped up the stamp duty from the sales, the dividend payments and the tax equivalent payments, took them into revenue, and generated a surplus through financial manipulations. If we take out the effect of privatisation, the Opposition left the State with five deficits in a row, with two more forecast.

The previous Government also left the State with more than \$400 million-worth of unfunded commitments. The Government has gone over that on many occasions, and it still has to find the money to deal with the financial irresponsibility of the Leader of the Opposition and his colleagues on the previous Government's budget committee. Promises were made, for instance, on laptop computers for teachers, but no money was provided in the budget. No wonder the education budget blew out year after year. The Leader of the Opposition, as Minister for Education in the previous Government, ran around, weak as water, and gave in to every demand. He had no care at all for the finances of the State. Whatever it took to settle a problem in his portfolio, he would sign the cheque and let Treasury take care of it. When the poor old Treasurer, Richard Court, had to deal with it, he was left with a budget overrun in education and the need to deliver four deficits in a row, and only one surplus, which was based on the financial manipulations associated with the privatisation of AlintaGas and Westrail freight.

The Leader of the Opposition also goes on about the reduction in debt achieved by the previous coalition Government. That was based entirely on privatisation. Had the previous Government been financially

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responsible, it would have put all of the proceeds of privatisation into debt reduction. It did not do that, and debt was reduced by less than the proceeds of privatisation. Had that Government not privatised, debt would have risen at an alarming rate. If this Government had persisted with the set of debt forecasts that it inherited, those forecasts would have taken the State well through the AAA credit rating ceiling. Debt did increase from last year to this year, but that was partly because of the financial commitments made by the previous Government. This Government has stabilised the figures across the forward estimates and has delivered a debt forecast profile consistent with retaining the State's AAA credit rating. Some of the reasons for the increase in debt are instructive. For example, the previous Government left a terrible public-private partnership - the Matrix Finance Group leasing arrangement for the government light vehicle fleet. That deal cost \$2 million more each month than traditional state financing. The State would have lost \$24 million a year had it kept going with that arrangement. The Government, with some difficulty, and at the cost of millions of dollars in termination payments and associated fees, terminated that contract and took the vehicle fleet back into traditional state financing arrangements. That change from the coalition's disastrous Matrix car fleet leasing deal has meant that \$229 million has had to be added to the debt figures. Taxpayers' money has been saved, but official debt has increased.

As another example, the Government has found that a large part of the capital works program in the forward estimates was based not on money that was there but on asset sales that might happen in the future. Education was a classic example. A large part of the capital works program was based on asset sales that could not be realised. There was manipulation and fakery in the forward estimates for education left by the previous Government. Those asset sales cannot take place, so the Government has had to borrow the money to provide the capital works in education that the previous Government led people to expect.

Mr Barnett: Will you tell the House about Western Power?

Mr RIPPER: Come in spinner! Just as I pick up the relevant document, the Leader of the Opposition asks about Western Power. I quote from a fax sent by the managing director of Western Power, Mr David Eiszele -

I have just received a copy of the budget estimates for Western Power prepared by Treasury.

As with last year, Treasury has chosen to input figures that do not relate to data supplied by Western Power.

Would you please provide urgently, sufficient details as to how Treasury arrived at your budget estimates - so I can brief the Western Power Board.

Once we have your explanation we will decide what steps are appropriate to inform our Minister and other relevant parties about this serious problem.

Mr Johnson: Will the minister table that document?

Mr RIPPER: Absolutely! I will table the document with great pleasure and enthusiasm, when I have finished reading from it. The headline of the fax is "Budget Estimates 2000-01".

The previous Government engaged in exactly the same sort of behaviour for which it criticises us. In our circumstances, we have had to deal with a midyear review in which water restrictions mean that less income is expected from the Water Corporation. We are receiving less income from our public corporations. We have sought to balance that by asking Western Power for higher payments.

Mr Barnett: Why does that not appear in your press release or 70-page report?

Mr RIPPER: If the Leader of the Opposition keeps interjecting, I will find it difficult to continue my remarks. Since I am not taking his interjections, he would be wise to listen to my explanation.

The point of the matter is that in 1999-2000, the previous Government announced a budget surplus of \$42.5 million for 2000-01. Had it not projected that \$42.5 million surplus, it would have projected its fifth budget deficit in a row. That \$42.5 million came from an increase in the Western Power dividend. Did the previous Government announce that increase in the Western Power dividend? Was it listed anywhere in the budget papers? That change in policy was not listed. We should consider the view of the Deputy Leader of the Opposition, who was reported on ABC television on 8 January 2002 as saying -

But he hasn't got approval yet from Western Power - why has he got it in his Budget estimates? You can't build your budget on very flimsy estimates like that.

The previous Government's budget surplus of \$42.5 million was projected on budget day - 11 May. On 16 May the now Leader of the Opposition received an angry fax from the managing director of Western Power asking why those figures were in the budget and saying that it is a very serious matter and he must brief the Western Power board. It was not until August 2000 that the Western Power board - after the budget was handed down in

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May - approved that \$42.5 million increase in the dividend payout; yet, the entire budget surplus predicted by Richard Court in May 2000 was based on that increase in the Western Power dividend.

Mr Barnett: I think you are misleading the House.

Mr RIPPER: The now Leader of the Opposition had to write to Western Power on 14 August -

... I confirm that the Government's policy position is that Western Power should immediately adopt a dividend policy under which the dividend is set at 50% of net profit after tax.

Richard Court announced the dividend in the budget. The managing director of Western Power protested. There was a subsequent exchange of correspondence between Western Power and the then Minister for Energy. The minister laid down the law and said that a 50 per cent dividend policy will be applied, and the Western Power board finally approved that dividend policy in August 2000. The coalition Government's entire budget surplus prediction for 2000-01 was based on that dividend policy. Does the Leader of the Opposition think that the comment of the Deputy Leader of the Opposition - namely, that a Government cannot build a budget on such flimsy estimates - applies to that particular manoeuvre of Richard Court? If he does not, he is guilty of gross and appalling hypocrisy.

Mr Barnett: You have effectively lied to the people of Western Australia.

Mr RIPPER: The Leader of the Opposition talked about public-private partnerships. I am surprised that he would dare to criticise a possible policy move in that direction. His Government was responsible for the Matrix disaster. It always intended to finance the rolling stock for the southern railway through a private financing deal. This Government did not go ahead with that. It examined the proposal and found it to be uneconomic. Instead, we are financing the rolling stock through state debt. The Leader of the Opposition talked about the Department of Education renting schools. His schools in houses proposal suggested exactly that. The Leader of the Opposition said that he does not like arrangements with the private sector; yet, that is what the term network contracts for road maintenance were. They were also bad contracts. The Leader of the Opposition seems to think that this Government will not be able to negotiate with the private sector.

Mr Barnett: I know that you will not. You will be taken to the cleaners.

Mr RIPPER: It is a case of rejection. The Leader of the Opposition has been looking in the mirror. His Government could not do it, so he thinks we cannot. I have news for the Leader of the Opposition: governments elsewhere in the world do not have the same poor track record that he has on these matters. I could say much more about the Leader of the Opposition's lack of credibility; unfortunately, my time has run out. If he would like to move a similar matter of public interest motion next week, I would be delighted to go through the rest of my speech.

**DR WOOLLARD** (Alfred Cove) [4.35 pm]: I support this motion. I listened to the Premier when he said that this is a general issue that was debated last year. However, although we debated this issue last year, many things have, unfortunately, not changed. I continue to congratulate this Government for stopping the logging of old-growth forests; however, I point out that according to the Department of Conservation and Land Management, there were 347 000 hectares of old-growth forest in Western Australia when the Regional Forest Agreement was signed in 1998. The discussion paper on the forest management plan says there are now only 333 000 hectares of old-growth forest. What has happened to the missing 14 000 hectares of old-growth forest? The Leader of the Opposition was right when he said that although the Government has stopped logging the old-growth forests that were defined in the RFA, the timber workers are still going in and the trucks are still coming out of our high-conservation-value forests. People are asking when this will stop. When will these trucks stop coming out of our forests carrying beautiful old-growth trees? That is one area in which things have not changed.

The Premier said that this Government was elected on a platform of listening to the community and would not sell off community assets. He should know that, week after week, I have presented petitions from a community that wants the Heathcote site to remain in public ownership; yet, this Government is not listening to it. It listened to the community in Bunbury when it said it did not want the live sheep trade in that area. The Minister for Planning and Infrastructure said that the Government would listen to community wishes. What about the 20 000 people who have signed petitions asking that the Government keep all the Heathcote site - Duncraig House and the lowlands - in public ownership?

Health is another issue. We all knew last year that there was a crisis in aged care. That crisis still exists. It is interesting that the Labour Relations Reform Bill that is about to be introduced does not address workers in this area. How many workers identified as being helped by this reform Bill are paid 30 per cent less than their colleagues in other States? The Labour Relations Reform Bill does not address the plight of nurses, carers and cleaners in the aged care industry. According to the Bill, people in the public sector cannot enter into employer-

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employee agreements. I believe that directors of nursing should be able to negotiate employer-employee agreements.

Another area of health that is also in crisis is accommodation for disabled people in Western Australia. Does this Government acknowledge that there is a crisis in this area; and, if so, what are its short and long-term plans to deal with it? An article in the *Melville Times Community* referred to a spokesperson for the Disability Services Commission who stated -

... hundreds of Perth families were living in a state of crisis because accommodation support services were not available.

We have a crisis in not only the aged care sector but also the disability services sector.

Let us move on to education. This Government said it would look at health, education and law and order.

The ACTING SPEAKER (Mr Andrews): Order! Members, I am having a degree of difficulty hearing the member for Alfred Cove. On the basis of the volume of the member's voice, I ask you to keep the noise down.

Dr WOOLLARD: This Government was elected on a platform of improving health, education, and law and order. The budgets of schools in my electorate have been cut. Those cuts do not even take into account the debate in the Chamber today about the school fees paid by parents. In my area alone school budgets were cut by more than \$400 000, and law and order issues are escalating in suburbs within my electorate. My community has only one police officer for more than 2 000 people, yet a state police report says there should be one police officer per 700 people in the community. This Government still needs to address a lot of issues.

Mr Ripper: I was so keen to continue my analysis of the Leader of the Opposition's record that I neglected to table the document that he sought. I would be delighted to table the fax from Mr Eiszele to Mr Langoulant.

[See paper No 1161.]

Question put and a division taken with the following result -

Ayes (23)

Mr Ainsworth	Mrs Edwardes	Mr McNee	Mr Trenorden
Mr Barnett	Mr Edwards	Mr Marshall	Mr Waldron
Mr Barron-Sullivan	Mr Grylls	Mr Masters	Ms Sue Walker
Mr Birney	Ms Hodson-Thomas	Mr Omodei	Dr Woollard
Mr Board	Mr House	Mr Pandal	Mr Bradshaw ( <i>Teller</i> )
Mr Day	Mr Johnson	Mr Sweetman	

Noes (30)

Mr Bowler	Mr Hill	Ms McHale	Ms Radisich
Mr Brown	Mr Hyde	Mr McRae	Mr Ripper
Mr Carpenter	Mr Kobelke	Mr Marlborough	Mrs Roberts
Mr Dean	Mr Kucera	Mrs Martin	Mr Templeman
Mr D'Orazio	Mr Logan	Mr Murray	Mr Watson
Dr Edwards	Ms MacTiernan	Mr O'Gorman	Mr Whitely
Dr Gallop	Mr McGinty	Mr Quigley	Ms Quirk ( <i>Teller</i> )
Ms Guise	Mr McGowan		

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Independent Pair

Dr Constable

Question thus negatived.