

APPROPRIATION (CAPITAL 2023–24) BILL 2023

Third Reading

MS R. SAFFIOTI (West Swan — Treasurer) [4.15 pm]: I move —

That the bill be now read a third time.

DR D.J. HONEY (Cottesloe) [4.16 pm]: I will make a brief contribution to the third reading debate on the Appropriation (Capital 2023–24) Bill 2023, and I will refer specifically to this bill as we go through. If we go to page 2 of the bill and look at clause 3, “Issue and application of moneys”, there is reference to the sum of \$8 627 661 000. I congratulate the government this time on the fact that it has gone for an appropriation that matches its expenditure. One of my criticisms of the government in past budgets has been that it has made appropriations that it has been unable to achieve, so it is good to see the government now setting a more realistic target. I assume there is now a greater focus on the delivery of the projects it has underway.

I will go through some specific budget items here; I will not go through them all, line by line, but I will focus on some in particular. On page 4 we see the line “Electricity Networks Corporation (Western Power)”, for which there is an appropriation of \$142 019 000. It is good to see money being allocated to the upgrading of powerlines. The next summer, in particular, will test whether that work has been effective, but I am concerned about the government’s continuing failure to commit to the Three Springs–Oakajee powerline. I understand from the Minister for Energy that the government believes it will be able to negotiate with the proponents that it believes are going to undertake that powerline project for Oakajee, but the direct feedback I have had from proponents in the past—I am not going to reference any of the current proponents—is that the absence of that powerline is a major block to them going ahead.

We will see whether those proposals go ahead. I have asked a question on notice on this matter, and the Minister for State and Industry Development, Jobs and Trade has indicated that the proponents are still discussing it with the government. That is good; no-one will be happier than me to see those projects go ahead, but I am extremely concerned that the absence of that powerline will create a barrier and that companies will not be keen to pay for it, because it will be seen as a general state asset.

On page 4 of the bill, item 108 is “Mid West Ports Authority”. I have touched on this matter before but, again, it concerns me that there is no commitment to a new port. I think the government is far too optimistic about the proponents funding those major capital projects. If the government were to take a different approach and look at public–private partnerships and construct a port—I think that might be a more fruitful option—large amounts of very low interest capital are available globally for major long-term infrastructure projects, but it has been made clear, for example for Kwinana, that the government does not have an appetite for those sorts of proposals, and it sees ports as assets that the government should own. In the absence of a public–private partnership, it is quite clear that the allocation for Oakajee for the Mid West Ports Authority is just talk, and the government has no serious commitment. To be honest, the government has not been duplicitous in this; it has been clear. I asked the Minister for State and Industry Development, Jobs and Trade whether the government was planning a port, and he said no. It is not that the government has been unclear, but I think that is a major issue.

I am interested in, amongst others, item 112, the allocation for the “Provision for Decarbonisation of the South West Interconnected System”. Overall in the budget, \$2.7 billion has been provisioned for Synergy. I am really keen to understand what that means. That is mentioned in budget paper No 3, but if we go through the detail in budget paper No 2—in particular, the table of changes in works in progress for Synergy—it lists a number of projects. It lists the Cockburn gas turbine, Collie power station, Muja power station, completed works, battery storage, wind generation in Geraldton, the big battery and so on, but I could not find in the budget any detail that referred to the \$2.7 billion of future works. The budget papers have lots of comments about this enormous spend on renewables, and it is an area that will require a large spend. Western Australia’s total public and private spend to reach 43 per cent lower emissions by 2030 will probably be something around \$360 billion. If we look at government as being about 10 per cent of the economy, although I think it is more than that, then even that is \$36 billion. There will clearly have to be a large spend in the renewables area. I am genuinely asking the minister a question about that because I could not see the detail of the \$2.7 billion. This line item is only a requirement for \$1.23 billion in the next financial year, but I am intrigued to see where the \$2.7 billion comes from.

On page 5 of budget paper No 2, the Western Australian Land Authority shows estimated expenditure of \$200 million. This is an area with which I have concerns. If we look at what drives house prices right across the state, it is the availability of land, particularly in metropolitan Perth. A little while ago, the Real Estate Institute of Western Australia published a very good graph showing the correlation between land price and availability. I note the government announced that it would be releasing more land, but we need substantially more land released if we are to have reasonable land and house prices so that our children can afford houses.

The other part of that is: what about regional housing? If there is one area that I think is under-baked, it is the availability of regional housing and the encouragement of people to go to regional areas. I have just come back

from two weeks in India, and it is fascinating that the Indian government has effectively reached the position that India's large cities are large enough. All its focus on the development of housing for its continually expanding population is to grow regional communities and the economy in regional areas so that it does not put more pressure on capital cities. I do not see that reflected here, and I think that is an opportunity for the government.

Item 122 has a lot of money allocated for the social housing investment fund. As I mentioned before, it is about execution, and that is the challenge in a number of areas.

Obviously, for health, the women's and babies' hospital will be a major part of item 129. Again, delivery of that will be critical. There is a real concern about its location, and I know that the Minister for Health has responded to this. I can honestly say that I have not spoken to one senior medical professional who agrees with the government's decision to locate the hospital away from the Nedlands campus. I think that is a major issue and a decision made in a rush.

I refer to item 132. Education is a large part of the budget at \$564 million. I will talk specifically about my own electorate; I have raised it here before, and I will keep raising it. The Mosman Park Primary School and the Mosman Park School for Deaf Children are co-located in the southern part of Mosman Park, and that is a crucial need. I doubt any member in this place would look at that primary school and say that it is a suitable facility. I get right around the metropolitan area, and I do not know of any other school that is in greater need of upgrade, yet that is not reflected in the budget. People might think that these are rich kids but, no, the southern end of Mosman Park has a very high concentration of social housing, and six per cent of the kids who go there are from Aboriginal families. Many children from Aboriginal families who come into the area are transient; they come to Perth for medical treatment and might stay for six or nine months. Those facilities are not up to scratch, and an upgrade of that school is desperately needed. I understand that some plans are going ahead to re-use the car park, but we need to see a major investment by the government.

I refer to item 148 and the Public Transport Authority. We see a massive increase in the subsidy for public transport, which is getting larger and larger, and becoming such a significant item in the budget. The recurrent subsidy will get towards \$2 billion once all the Metronet projects get going and we see an increase in patrons. It is above \$1 billion now. That is a large part of the budget and becoming larger, and it appears that the reduction in fares has not made a significant difference. If we look at the number of patrons compared with historic, pre-COVID levels, we are only just getting towards that. There is no evidence of any significant uptick.

Item 149 on page 14 is the Public Transport Authority of Western Australia and the Metronet projects. The Treasurer owns both ends of this now, as I have said before in this place. I thought the Treasurer clearly had some mystic and hypnotic power over her colleagues, being able to get such a large part of the capital budget. Now, she is responsible for the overall budget, and transport is growing like topsy. We see continued blowouts, and we do not see delivery on any of the original time frames for that project, and that has to change. We cannot see this project continually gobbling up more and more money. As I say, there is no evidence that we are seeing a significant growth in patronage. Obviously, when these projects are in, we will see what happens. Everyone likes public transport, but—gosh!—we are spending this many billion dollars and then will increase the recurrent subsidy so much. Is there a way that that money can be allocated in a different way?

I will wrap up my comments there. The challenge for the government is that, yes, it has lots of money and it has allocated lots of money to different projects in the budget, but there has to be a focus on delivering rather than on making announcements about large amounts of money. Thank you.

MS R. SAFFIOTI (West Swan — Treasurer) [4.28 pm] — in reply: I thank the member for Cottesloe for his contribution to this debate. We note that this is the Appropriation (Capital 2023–24) Bill 2023, so it reflects expenditure on asset investment across government.

Following up on the member for Cottesloe's request for information about the \$2.7 billion for Synergy, my reading is that the \$2.7 billion will be over a number of years, and the \$1.232 billion, which is listed in this appropriations bill, reflects only 2023–24. I am getting confirmation on that, and I will be able to confirm that, hopefully, by the end of my comments. Otherwise, we can give that information to the member later.

In relation to the issues the member raised, first of all about education spending, we would like to fix every school in the state, particularly the older schools. Of course, there are limits to doing that and we are delivering a record amount in education infrastructure and working to ensure we can upgrade the older schools in the state. We have seen a lot of work undertaken to upgrade many of the older schools, but there continues to be a massive challenge to upgrade our schools because of cost escalations and supply chain issues. We have seen increased costs in upgrades and maintenance around the state.

In relation to land release, I think one of the reasons we have been an affordable state for houses and land is our ability to release land to support house-and-land packages. It is going to become increasingly difficult over time as land availability is more constrained and there are far more complexities in releasing that land. We are supporting new house-and-land packages up the Yanchep corridor, and the delivery of the Yanchep rail line is bringing forward

a lot of development along that corridor. In the north east up to Ellenbrook and now into north Ellenbrook and Bullsbrook, we are working to support new housing developments, whether it is infill, which is Ellenbrook and south, or north Ellenbrook or Bullsbrook. I think the member for Swan Hills was recently at a launch of a new land release in Bullsbrook.

I am working strongly to support land developments in the corridor down to Byford. The member for Darling Range is not here, but again, infrastructure supporting housing developments, the extension of the rail line to Byford, and the support of land developments around Byford down to Mundijong will assist with new housing supply. We are working to increase housing and land supply in the Armadale Road corridor. Looking at some of the key development corridors, whether it is the south west corridor down to Mandurah and what we have seen in Baldivis—we just announced a problem/opportunities statement for land development and the new Karnup station—we are actively supporting new houses and land as well as infill developments. Programs like the infrastructure funds that the Minister for Housing raised again today will help develop new precincts and are all about getting more infill. In regional WA in particular, where sometimes the cost of infrastructure undermines the economic case for new housing developments, we are keen to support infrastructure to support new housing, in particular, workers' accommodation. The funds that are allocated in this budget, such as the \$450 million for social housing investment, are part of the bigger picture of supporting not only new housing, but new initiatives to support more social housing and other housing around the state.

In relation to Metronet, I was very pleased to see the opening of another Metronet project on Sunday, the Lakelands train station. I think opposition members underestimate people's support for public transport. When we talk about cost of living and congestion, public transport is one of the best ways to tackle both congestion, climate change and help support Western Australians with the cost of living. I spoke with my interstate colleagues on Friday. The transport ministers were in WA to discuss a number of matters and we compared our performance on public transport and the bounce back from pre-COVID to current patronage levels. Western Australia is leading the way. Our standard patronage level is pretty much at 100 per cent of pre-COVID travel and we continue to grow. I believe that strong public transport in the suburbs is essential to allow people to access good jobs, employment opportunities and to move around the suburbs. The Liberal Party questions the cost of public transport, but the cost of not providing public transport will always be much greater. I thank the members for their contribution. We are debating the Appropriation (Capital 2023–24) Bill 2023. We continue to have a strong asset investment program, which helps drives jobs. We continue to focus on delivery; we need to continue to deliver our projects. I am very proud of the record so far and keen to be the Treasurer who continues this excellent record.

Question put and passed.

Bill read a third time and transmitted to the Council.