

Speaker; Mr Mark McGowan; Mr Ben Wyatt; Mrs Michelle Roberts; Dr Mike Nahan; Mr Mick Murray; Mr
Terry Redman; Dr Kim Hames; Mr Dean Nalder; Ms Rita Saffioti

COST OF LIVING — STATE DEBT

Matter of Public Interest

THE SPEAKER (Mr M.W. Sutherland) informed the Assembly that he was in receipt within the prescribed time of a letter from the Leader of the Opposition seeking to debate a matter of public interest.

[In compliance with standing orders, at least five members rose in their places.]

MR M. McGOWAN (Rockingham — Leader of the Opposition) [2.47 pm]: I move —

That this house condemns the Liberal and National Parties for their combined attacks on Western Australians in raising the cost of living and making life more difficult whilst simultaneously racking up more state debt at a time of record revenue.

Last week we had the state budget and this week the commonwealth budget was brought down. Each of them has made life more difficult for Western Australians in various ways. There has been a double whammy for our state and, unfortunately, the Premier of Western Australia is keener on standing up for his mate in Canberra than he is on standing up for his state. Otherwise, we would have seen this Premier stand up to Canberra in the way that the Queensland, New South Wales and Victorian Premiers did. Unfortunately, our Premier did not do that. Our Premier is a lapdog to Tony Abbott. Our Premier has not complained about —

Several members interjected.

The SPEAKER: Member for Bassendean, I call you to order for the first time. If members want to have a private meeting, go outside. I do not want to hear any more interruptions.

Mr M. McGOWAN: Our Premier has not complained, and will not complain, to the commonwealth government about an \$8 billion cut to education and health funding to Western Australia. There might be views out there about the ways that these things are funded, with commonwealth funding coming to states, and people might say that it is not the appropriate way of funding them, but that is the way they are funded and there has not been a change to the GST distribution mechanism. As the Premier said, every state needs to agree to a change before there can be a change. The chances of every single state agreeing to a change to the GST distribution is small, as we have all realised, but the \$8 billion cut to Western Australia is there in black and white; it is there coming towards us in future years. We will have to cope with it. There is \$8 billion being ripped out of education and health. Think about it. That is a massive change to the finances of Western Australia and the only way it can be dealt with currently is by either expenditure cuts or increased taxation revenue at a state level. That was never the purpose of the settlement between the commonwealth and the states as it has existed for a long time—that one level of government could just unilaterally rip away those core services provided to people across this country. The states do health and education, and the commonwealth provides some assistance. We are now seeing one partner in that commonwealth–state bargain reneging on that contract. What do we hear from the Premier? He just says, “It is way off in the future. We might well change the GST arrangements.” That is hopeless. Campbell Newman, Michael Baird and Denis Naphthine all have spines; they are prepared to stand up to Tony Abbott. The only time the Premier stands up to the commonwealth is when it is a federal Labor government, and that is the truth. When Kevin Rudd or Julia Gillard was Prime Minister, he stood firm. When the federal Labor government desperately tried to give Western Australia more health money and Gonski education money, he was out there saying, “No way.” He had these arguments about how it was somehow a takeover of our health and education systems. He was the only one who understood the argument, but at least he stood up for the state. Now the federal Liberal government is vacating the field and telling the states to deal with it. What does the Premier do? He does not stand up for his state, and the only difference is that the federal government is of the same political complexion as the state government; that is the truth and we all know it. He then says that there might be a renegotiation of the GST arrangements and he comes up with a revisionist view of history. I was in this Parliament during that 1999 debate when all those issues were raised about how the Commonwealth Grants Commission formula would penalise Western Australia and a floor was needed to be put under Western Australia’s return because eventually it would drop. The former member for Belmont raised that issue when we were in opposition.

The chief defender of the arrangement by which the Commonwealth Grants Commission formula would determine the outcome of the GST was none other than the member for Cottesloe. Members should read *Hansard*; that is what happened. The greatest financial disaster for Western Australia occurred then, and ever since we have suffered because of it. There are two reasons why it was terrible. One is that we missed the chance to put the floor under the return to the state. When everyone needed an agreement, we could have put that in, but we did not take that opportunity. The second reason is that we made far more of the state’s revenue base subject to the Commonwealth Grants Commission’s formula. We agreed to give up some state taxes and our return from

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excise, which was being collected by the commonwealth, and then there was the abolition of stamp duty. The Premier thinks it is something to do with income tax and company tax. He needs to brush up on his history and read *Hansard* to see what happened. We agreed to give up those. We put far more of our revenue base in the hands of the commonwealth subject to the equalisation formulas under the grants commission. That was a financial disaster. When government members come in here complaining about the GST, they need to understand who was to blame. This Premier would not stand up to John Howard in the same way as he is not standing up to Tony Abbott today. That is the truth of it and that is what happened.

Richard Court was always talking about needing to grow tax and get more revenue and so forth. Needing more revenue is a good argument. I heard him day in and day out in here saying that the state needs more money as it is a growing state and all those arguments. He put the case eloquently, but, unfortunately, the government failed the endgame when it signed that deal. History has been repeated with this \$8 billion cut to health and education in Western Australia over which this state is not standing up to Canberra. It follows on from last week. In one year the budget has increased debt by \$2.9 billion. When this government came to office after 107 years of the existence of this Parliament since Federation, the government inherited a debt of \$3.6 billion and in one year it is increasing it by \$2.9 billion. The government should think about it; that is the legacy it will leave Western Australians through this mismanagement of the state's finances. Ordinary families have to pay more than \$400 a year extra for that mismanagement of the state's finances. Overall, it is a double whammy from the commonwealth and the state.

I grew up in this country in the 1970s and 1980s with a family that did not have a great deal of money. Going to the doctor and having a school that was appropriately funded were general life expectations for an Australian of my generation, and this federal budget rips that away. They were part of what I thought was the agreement for this country, and this federal government is ripping that away. I went to a so-called sandstone university. Now we are going to see the deregulation of university fees. When students graduate from university, they often do not have a lot of money and are not paid a lot of money. It is an expensive process to go through university. All these things that I thought were part of the Australian way of life are being ripped away in this federal budget. I do not think it is good enough and we have moved this motion today to draw attention to it.

MR B.S. WYATT (Victoria Park) [2.55 pm]: I find it interesting that in question time, the Leader of the National Party said that we could fit all the regional Labor members in a telephone booth. At least all our regional members live in their electorates. I have never seen a more urbanised National Party than this one. It is the most urbanised National Party in Australia—the CAT bus Nats! They always live in the central area transit zone so they do not have to worry about the non-delivery of light rail. I am delighted that the member for North West Central was able to join the Minister for Tourism on a visit to Monkey Mia recently, because I still catch the member for North West Central angrily shopping on a Sunday. To his credit the member for Wagin still lives in his electorate, so at least one of them does.

Perhaps the biggest issue that came out of that question time was about the Minister for Health. The Minister for Health's election promise about Royal Perth Hospital has twice—in 2008 and 2013—gone from a rock-solid, fully funded and fully costed election promise to a fervent hope as he retires. He fervently hopes that RPH—all the money has gone now—may be delivered in the second term as he promised. I will tell members something: of all the people in this place who need to get stuck into the federal government for taking billions of dollars out of health, it is the Minister for Health! Does he think that he will be able to deliver on Royal Perth Hospital and stick people inside it with Joe Hockey taking all the money from health? The Minister for Education in the upper house has not quite worked out what has happened to his budget outside the forward estimates. That is the reality.

I make the point that the federal Liberal ministers have gone to water—not only the Premier in his commentary. I am stunned by the Premier. Members should google the responses from the Premiers. Mike Baird, the Premier of New South Wales, started with “a kick in the guts”. Napthine said that he was “extremely concerned”. Newman said that it was “not acceptable”. Barnett said, “I am just being realistic.” There are the responses. What a powerful response from the Premier of Western Australia. An amount of \$8 billion has gone from health and education and he is “just being realistic”. What an atrocious capitulation by the Premier who spent six years attacking the former Labor government over the GST return even when money was thrown at him by that government. Now Julie Bishop and Mathias Cormann, one of the authors of the budget, are doing this to us. Some state government members better give these people a call. Mr Cormann is the numbers man in more ways than one. Let us go back to 11 February 2013. The deputy leader of the federal Liberal Party, the now foreign minister and a person whom we would have thought had some influence, said —

... with an economy like Western Australia's generating so much income you can't possibly then punish it by reducing its share of the GST.

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... we'll certainly have a hard look at it ...

She went on to say again at a later date —

We will certainly be looking at the GST in government.

What do we get, Mr Speaker, because I know you will be concerned about this? I will not go into what Christian Porter used to say and actually has said in Parliament. This is what we get from the Minister for Foreign Affairs and Deputy Leader of the federal Liberal Party now she has herself plonked on the Treasury benches of the federal Parliament —

Foreign Minister Julie Bishop was adamant that GST changes were not on the agenda. “We’re not changing the GST,” Ms Bishop told ABC radio on Thursday, reiterating the coalition’s election promise to keep the status quo.

Then of course there is the great senator and Minister for Finance, Mathias Cormann, who is so proud of what he did to Western Australia. I saw him in the picture, chewing on his cigar. I saw how proud he was. It reminded me of the Premier of Western Australia, who is just being realistic, drinking his Veuve after the 2013 election. I remember that, and now we have Mathias Cormann saying —

... there will be no change to the GST under this Government, full stop, end of story.

The members on the other side of the chamber need to start calling around; this is what the federal Liberal government has done. What has Mr Cormann done instead? He has more tax coming out of Western Australia. The deficit levy will hit Western Australia more than any other state; more tax will go from Western Australia to the eastern states and the Premier’s response is: “I’m just being realistic”. It is no wonder that the Minister for Health says that his fully funded, fully costed election promise is now a “fervent hope”. What a disgraceful performance; the government needs to start holding its federal Liberal colleagues to account. I remember prior to the election that the Premier, the member for Cottesloe, threatened the federal Liberal Party with withholding funds unless it delivered a fairer goods and services tax return. I remember that, and I recall reading time and again this comment, which I will conclude with, following on from the Leader of the Opposition. The Premier got to his feet and said that there is nothing in the GST legislation that dealt with how it was going to be distributed.

I want to remind members of the warning given the last time the Premier capitulated to Canberra on the GST legislation. The then shadow Treasurer Eric Ripper said to Richard Court, and I quote *Hansard* —

He says that we will be given access to a growth tax. Let me put that more precisely: We will be given access to a share, to be determined by the Commonwealth, of that taxation revenue. That share might change from time to time depending on whether the Commonwealth thinks that Victoria or New South Wales needs a bit more.

Then Premier Richard Court interjected —

Are you saying that the Commonwealth Grants Commission should change?

Mr Ripper responded —

I am saying that the Treasurer —

Who was also Mr Court —

has signed up to an arrangement which makes a very large portion of our revenue hostage to a commonwealth government authority’s determination. Its determination might not be helpful to this State.

Government members were warned back in 1999; we warned them then and we are warning them again now. I heard the Premier say that he knows that privately Tony Abbott shares the view that we need a more equitable result and distribution of income. That is the exact same issue that Richard Court hung his hat on. He released a media statement saying that this outcome had been moulded by Treasury on the basis of a personal undertaking given by the Prime Minister. Personal undertakings are not worth the paper they are written on. We got diddled with the GST on the basis of a personal undertaking, despite warnings from the then Labor opposition, and the government is getting done again. I want to see the Minister for Health stand up to his portfolio, because when he retires, the consequences will be felt by all Western Australians.

MRS M.H. ROBERTS (Midland) [3.05 pm]: We have seen a massive betrayal of trust by the Liberal and National Parties of Western Australia and Australia. They have let the people of Western Australia down badly on two fronts. They betrayed trust; they went out at the state and federal elections with false promises and then brought in budgets that break the promises and pledges that they made to the community of Western Australia at

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the 2013 state election and the subsequent federal election that saw the Abbott government elected. Not only have they not delivered on their promises, but also they have cut the standard of living of ordinary people in Western Australia. My colleagues talked about the huge impost on ordinary families and others in the Western Australian community of electricity, water and gas prices going up. We talked about the increases in stamp duties, land taxes and other costs being imposed upon the community. The Premier of Western Australia told the community a barefaced lie during the election campaign when he said that he would keep increases in costs and charges to the rate of inflation.

On top of that, in this week's state budget, we saw the Premier's attack on the motoring public of the state. As shadow Minister for Road Safety, I follow road safety issues very closely and I certainly follow what the RAC has said on this issue. The RAC sought and got, on behalf of Western Australian motorists, a pledge from the Premier and a pre-election commitment that the increase in the cost of motoring would remain at or below the rate of inflation. Of course, in the state budget last week that was not the case. Vehicle registration, licensing and compulsory third party insurance have been calculated to increase by some 12 per cent this year. That calculation was not done by me; it is in the RAC papers. The RAC has calculated what the increase in vehicle registration, licensing and compulsory third party insurance will be to Western Australians. According to the RAC, there will be a 12 per cent increase. Have a look at this for a tax grab. In the 2013–14 state budget, motor vehicle licensing fees raised \$680 million. In the 2014–15 budget, they are set to raise \$788 million, going up to \$923 million in 2017–18. Everybody who owns a car or other form of vehicle will pay that increase.

It might not be so bad if the government had actually made good on its promises to deliver on public transport, but it has not. To add insult to injury, not only is the government not delivering the light rail infrastructure and other public transport that it promised, but also it is putting up public transport fees. It is not as though there is any big strategy to get people out of their cars and onto public transport, because the government is whacking up those costs too; there will be a four per cent increase right across the board. In addition, anyone wishing to park their car in the city will pay more. That is not even in the 12 per cent calculation. The parking levy will be put up by \$365 a bay over the next two years, despite having some \$48 million sitting in the Perth parking account. I was on the City of Perth council when we utilised that parking account. It certainly was not set up for capital infrastructure, yet this government is using that money to construct the bus station, which the Liberal Party formerly opposed.

The government also said that it would put all the money raised from speed and red-light cameras into road safety, but the RAC has predicted that over \$70 million will remain unspent in the road trauma trust account from money raised this year, which is on top of the money that was unspent last year. When we get to estimates, I will ask the Minister for Police how much money remains unspent this year. I expect that when we combine the two amounts, we will find that the government is sitting on a nest egg of over \$100 million. That is \$100 million that has not been spent to make our roads safer and save lives. That was the Liberal Party promise at the last two state elections—all money raised from speed and red-light cameras would be spent on road safety. But the government is using this as some kind of nest egg.

Whilst on the subject of betrayal, I will quickly mention some matters in my electorate. The Premier came to my electorate about five times during the election. He said that he would deliver a Midland university. He said that the train station was not good enough. He visited something called the Yellowbird project. The funds have gone out from that. He said that \$13.5 million would be spent on closed-circuit television in crime hotspots. Last year the government put in \$200 000—not \$13.5 million but \$200 000. This year we found out that not only did the government not spend that \$200 000, but also now the whole program is being delivered for \$1.3 million. That is a huge broken promise. The government cynically went out there and promised electorate after electorate that there would be CCTV in crime hotspots—something that the government knew would be popularly received and voted for. Cynically, that is not included in the budget. This has been a massive betrayal of trust. We have not got to the bottom of either the state or the federal budget yet. The news only gets worse. People are going to be paying more for their car licensing. They will certainly be paying more for their petrol. Kids are going to be paying more to go to university or TAFE. Thanks to the federal Liberal government, those people who are under 30 years of age and unemployed will not even get a benefit for six months. I do not know how those people under 30 will survive in those circumstances, because they are not all fortunate and have parents who can prop them up at that time.

DR M.D. NAHAN (Riverton — Treasurer) [3.12 pm]: I would like to add a bit to this debate, although I am a bit confused. The budget is just a few days old, but already members opposite are speaking more about the commonwealth budget than anything else. I guess they are just running out of wind on this one. I will make a couple of points. A bit of history has been explored in the chamber today about the goods and services tax decision in 2001. Yes, at the time all states faced a decision. At the time, the Howard government was proposing a GST, and the deal was that the federal government would give the proceeds in full to the states. In exchange,

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the states would reduce a whole range of stamp duties, basically, and that would lead to two things. The first was a greater reliance on the commonwealth for income. That is a fact because the GST was replacing own-source taxes. It would also give the states a growth tax; the aggregate was going to grow. The Western Australian government could have said, “No, we’re not interested in the deal unless you at the same time change the sharing arrangement”, which had evolved since the 1930s. We could have said that we did not like that and we could have kept the status quo. It would have killed the whole GST deal, but what would have happened if we had done that? It is a hypothetical question. That is where the member for Victoria Park’s arguments would naturally go. What would have happened? We would have less money because the pool that the commonwealth gives under the GST is larger than what it gave before.

Ms R. Saffioti: You are wrong; you are absolutely wrong on this.

Dr M.D. NAHAN: Yes, it is. Before, the commonwealth could decide on the pool. It could just say, “Here’s how much we want to give to the states.” It was not tied to anything specific.

Ms R. Saffioti interjected.

The SPEAKER: Member for West Swan, I call you to order for the third time.

Dr M.D. NAHAN: Under the GST arrangement, the commonwealth has to give the whole of the GST to the states and territories. Back then, it could decide the pool and it could also decide the share. For the first five years of the agreement, the commonwealth said that it would more than meet the total pool for the GST and each state would be at least as well off. What would have happened if we had gone to what the member for Victoria Park is arguing, which is that we should have held out, killed the GST and remained with the status quo? We would get less money in the pool —

Mr B.S. Wyatt interjected.

The SPEAKER: Member for Victoria Park, I call you to order for the third time.

Dr M.D. NAHAN: — and our share of that diminished pool would be the same as it is now; that is, about 38 per cent. His argument is complete idiocy—less money and no change to the share of a lesser pool.

Mr B.S. Wyatt: Rubbish!

Dr M.D. NAHAN: No, that is the only logical outcome. If that is what he is arguing for, he can have it.

The SPEAKER: Member for Victoria Park, do not get up; I am talking. Do not shout out again. If you want to shout out, you will be asked to leave the chamber. You are on three calls.

Dr M.D. NAHAN: Let me get back to my budget.

Point of Order

Mrs M.H. ROBERTS: Mr Speaker, I know that you have asked the member for Victoria Park not to stand up, but I understand he was called an idiot across the chamber, and you have not called anyone to order for that.

The SPEAKER: I never heard anybody —

Mrs M.H. ROBERTS: In his response, he was just responding to that unparliamentary language from the other side of the chamber.

The SPEAKER: I have said previously that people may be referred to by someone across the chamber. First of all, I did not hear the word “idiot” used; secondly, it is not a licence for people to shout out if they are referred to by a member on the other side. This debate has been relatively civilised until now. If people are going to continually shout out and destroy the debate, I am going to take action.

Debate Resumed

Dr M.D. NAHAN: I want to get back to our budget, which was released just a short period ago. We did increase some fees and charges, but let me start from the starting point. There is in the budget a representative household. All states are issued with and agree to what is called a representative household. It is not representative; it is not an average. It just tries to depict the relative levels, and changes in those levels, of characteristic charges across the states. This is the chart here in my hand. It shows the total cost imposed by states and territories on the representative household across the states. The beige line represents Western Australia; the blue lines represent the other states. This graph shows our estimate for the forthcoming budget for 2014–15, after our increases. The other estimates for the states and territories are for last year’s budget. So, this basically understates the taxes and charges imposed by the other states because their budgets have not come down yet. This chart shows that Western Australia’s taxes and charges on households are the second lowest of all the states other than Tasmania. A little secret: Tasmania is a struggling state. Its household incomes are probably in the vicinity of 30 to 40 per

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cent below those in our state. Therefore, if we put it as a share of income, we understand why Tasmania charges less. New South Wales fees are 38 per cent above those in Western Australia. If we compare fees in Victoria, South Australia, Queensland and New South Wales for last year, we see that they are all significantly above our fees for next year. So we start from a low base; we have a low base.

The largest increase, of course, comes from a number of areas, including electricity. In this house we have been debating the rise in electricity prices. The people opposite are whitewashing or airbrushing themselves out of history on energy. It is as though they were never in government. That might have been a good thing but it is not the reality. When it came to the 2008 election, we all remember that they were committed to increasing electricity prices by 72 per cent. That is what they agreed to. That is the policy statement that they took to the election. That is what would have happened; it had to happen. They are forgetting about that. In other words, the major driver of the cost rises that the member for Rockingham, the Leader of the Opposition, criticised us for was a \$2 400 increase over our term of government. I am not saying that that is accurate because I had to estimate that and I would have to get it verified. But, largely, those opposite would have done the same thing. I might add that despite the increase in electricity prices that we have had over the last six years, it is significant that we will still subsidise electricity to the tune of \$2.4 billion in this state—that is, in rural and urban areas—over the next four years. That is by a larger margin than in any other state. Basically, South Australia, Victoria and New South Wales do not subsidise electricity at all. It is a big subsidy.

I come to water. Again, it is subsidised mainly in rural areas, but that is understandable. It is hard to deliver potable water and sewerage to very small towns. We will subsidise water to the tune of \$2.5 billion over four years, and for public transport the amount is \$3.3 billion. Public transport is interesting. I have some facts on our levels of subsidy in that area. The largest subsidy is the Transperth general subsidy. Over the last two years alone, the level of the Transperth general subsidy has increased by 24 per cent. The number of passenger trips has basically remained stagnant or has declined, while our rate of subsidy per trip has been increasing at the very sharp rate of more than 10 per cent per trip. It is very large. To say that we are doing nothing is basically ludicrous.

I refer to some other examples of subsidies we have provided in transport. The real cost of a two-zone trip in the metropolitan area is \$13.72. Western Australians pay \$4.40; in other words, for a \$13.72 trip, taxpayers subsidise it by \$9.32.

Mr C.J. Tallentire interjected.

The SPEAKER: Member for Gosnells!

Dr M.D. NAHAN: That is a very high rate of subsidy and it is growing at a very rapid rate. Our contribution to passenger miles or trips taken, no matter how we measure it, is better in Western Australia than it is in any other state.

Mr C.J. Tallentire interjected.

The SPEAKER: Member for Gosnells, I call you to order for the first time.

Dr M.D. NAHAN: The real issue is we know that in Western Australia over the past five or six years there has been a very large growth in average incomes. Indeed, in its submission to the budget, I think last year, the Western Australian Council of Social Service did an excellent piece of work and showed that for average households over the last eight years, the wages aggregate has gone up much more than the cost of living—indeed, by 25 per cent more in accumulation. It also argued that certain people on low incomes, particularly in certain household conditions such as single parent and pensioner households, are not benefiting from those rapid rises in wage rates. The real question is not so much whether we increase the electricity price by 4.5 per cent for people in Shelley in my electorate or Jutland Parade or wherever; it is how we look after the people who are not enjoying the rapidly growing fruits of the state. We have done that significantly with the hardship utility grant of \$12 million; the seniors cost-of-living rebate, which we introduced, of \$43 million; and grandcarers assistance. In my electorate, at least, there is an increasing number of grandparents, often at an older age, taking care of kids. They would all love it, but sometimes as we get older, it gets taxing. We introduced assistance of \$400 a year for the first child and \$250 a year for every other child. On the issue of homelessness, I think more than any other government in recent times, this government has invested in social housing through the Department of Housing and others. That has been very important because when we came to government in 2008, land prices had shot up by 350 per cent, rents had equally gone up and there was a huge and growing backlog of more than 20 000 people waiting to get into social housing. With the commonwealth government at the time, we invested significantly in both building new units and, more importantly, facilitating the private sector to develop social housing. Despite our rapidly growing population, we have stabilised the waiting list for public housing.

Mr P. Papalia: No, you haven't.

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Dr M.D. NAHAN: Yes, we have; it is stabilised. Sometimes members opposite have blinkers, but the blinkers are in front of their eyes.

Mr P. Papalia: I have people in my office looking for houses.

Dr M.D. NAHAN: I did not say that we have eliminated the waiting list; I said that we have stabilised it.

Several members interjected.

The SPEAKER: Member for Warnbro, I call you to order for the second time.

Dr M.D. NAHAN: We have a major program to address homelessness, including \$50 million from the commonwealth, and \$21 million for suicide prevention. We have focused significant funds to compensate people who target our subsidies and assistance.

Most importantly, all budgets are a trade-off. Let us take electricity as an example; we could have not increased the price of electricity at all or kept the increase at 2.75 per cent or the consumer price index, but we would have had to get the money from somewhere—from taxpayers. The price of electricity is increasing, so we had to fund it. The trade-off was to increase the price by 4.5 per cent or get the money from somewhere else.

Point of Order

Mr M.P. MURRAY: This proves my point. I was not sure whether the minister was talking to the back wall, to the Chair or to the Assembly. It makes it very difficult for me to hear because he was not speaking into the microphone.

The SPEAKER: The member has asked you to speak into the mic; can you please speak into the mic.

Debate Resumed

Dr M.D. NAHAN: Yes, as is our wont in this house, I was speaking to the Speaker.

We have decided to raise the electricity price above CPI and use the money for those who need it most—the disabled. Over the last six years, we have increased our contribution to disability services by 100 per cent; to mental health by 77 per cent; and to child protection, for which, unfortunately, demands are growing very rapidly, by 77 per cent or thereabouts. That is the choice we made and I stand by that choice.

MR D.T. REDMAN (Warren–Blackwood — Leader of the National Party) [3.25 pm]: I wish to make a short contribution to this debate. I was hoping that the member for Victoria Park would remain in the chamber. Even though he is not here, I will respond to a couple of his comments. Here he is. It is good to see the member for Victoria Park back.

The member for Victoria Park talked about GST arrangements and made a case around whether our federal members in Western Australia support, or indeed push for, a better outcome for Western Australia. I think it is fair to say that when the mob opposite was in government at a federal level, exactly the same issues applied. But I will point out —

Several members interjected.

Mr D.T. REDMAN: I will point out, member for Nollamara, that there was one person.

The SPEAKER: Member for Mirrabooka, I call you to order for the first time; and member for Bassendean, for the second time.

Mr D.T. REDMAN: I will point out that one person; the former member for O'Connor, Tony Crook, stood up for Western Australia on GST in a very real sense on the floor of the federal Parliament.

Mr V.A. Catania interjected.

Mr D.T. REDMAN: He was part of the National Party, member, a Western Australian National Party member, the only member in federal Parliament who has moved a motion on the floor of the federal —

Mr D.J. Kelly interjected.

The SPEAKER: Member for Bassendean, I call you to order for the third time.

Mr D.T. REDMAN: Tony Crook moved a motion on the floor of the House of Representatives to put a 75 per cent floor in the GST for Western Australia. I do not think anyone here does not support —

Ms J.M. Freeman interjected.

The SPEAKER: Member for Mirrabooka!

Speaker; Mr Mark McGowan; Mr Ben Wyatt; Mrs Michelle Roberts; Dr Mike Nahan; Mr Mick Murray; Mr Terry Redman; Dr Kim Hames; Mr Dean Nalder; Ms Rita Saffioti

Mr D.T. REDMAN: I do not think anyone here does not support Western Australia being a net contributor to other states. When Tony Crook's motion went to the vote, all the others were on the other side of the chamber, except Tony Crook and the person who seconded the motion. There is a history in Western Australia of people standing up for the Western Australian position.

Several members interjected.

The SPEAKER: Member for Willagee, I call you to order for the first time.

Mr D.T. REDMAN: I want to come in on the back of the Treasurer's comments about some of those support programs in place to help people who face challenges around the cost of living and talk a little about regional Western Australia. We are aware that a number of programs are run through the royalties for regions fund to support some of those gaps in the cost of living. For example, there is the district allowance for public servants to compensate for the differential in the cost of living in the quite high-cost areas, particularly the Pilbara and Kimberley regions, to get some balance back into the game. This government supported a district allowance for public servants working in the powerhouse of Western Australia—the powerhouse of the nation. We also put in place the Country Age Pension Fuel Card for regional Western Australian country pensioners. It was some compensation for the fact that when Alan Carpenter was the Leader of the Labor Party, he said that pensioners would be given free public transport. Again, I make the point that the opposition has no credibility in regional Western Australia. This government put in place the Country Age Pension Fuel Card through the royalties for regions program, and will provide \$550 a year from 1 July 2014 to support country pensioners with some of their cost challenges. We also support the patient assisted travel scheme, which, again, is another step in regional Western Australia to compensate for the challenges of distance and, sometimes, social disadvantage.

I also make the point—the Treasurer has made this point often—about infrastructure challenges in Western Australia. I spoke about this last week. In regional Western Australia we have had rents of more than \$3 000 a week in the Pilbara, and we have huge challenges in health, education, policing and the like. All these areas have been underinvested in for many, many years, and the Liberal–National government has made significant capital investments in regional Western Australia through the royalties for regions program. As I mentioned earlier, there is a very good understanding in those reporting processes. I put the challenge to the Leader of the Opposition: which of those programs would he have not put in place? Which of those infrastructure projects would he have not put in place? He needs to be very careful; I wonder what the member for Kimberley will say when she looks at the infrastructure investment that has happened in regional Western Australia and specifically in her electorate, whether it is in Kununurra, Halls Creek or Fitzroy Crossing, or in rebuilding Warmun after the flood. The government has supported all those regional centres because it is a part of the state that makes an equal contribution to other regions, in many cases under huge social disadvantages and challenges, and also the challenge of distance.

The Leader of the Opposition and members opposite need to be very careful about the position they take on what infrastructure they would or would not support, particularly in regional Western Australia, because there are people sitting right behind them who just might take them to task on those issues.

DR K.D. HAMES (Dawesville — Minister for Health) [3.32 pm]: I just want to clarify some aspects of the federal health budget and its relationship to the state health budget. The Leader of the Opposition talked about an \$80 billion grab out of health funding in Western Australia.

Mr M. McGowan: Eight billion.

Dr K.D. HAMES: Sorry, an \$8 billion grab out of Western Australia. I want to clarify what the actual effect will be for the state, remembering that it is only one day after the federal budget was brought down, so I will have to confirm all these figures. There were two key changes in the federal government's move away from the national agreement on health. One is that it has removed the guarantee that no state will be worse off under the new activity funding arrangements. That change may well affect other states, but it will not affect Western Australia. Because of the growth in activity in this state, our funding will be the same; therefore, over the next three years, we will not lose any of the funding from previous commitments made by the commonwealth government. That is great news for this state. The other commitments, in terms of moving towards the 45 per cent, will affect us, but not until after 1 July 2017. We do not know exactly what that figure will be, but I note an Australia-wide reduction in the federal government budget papers of something like \$1.1 billion, so I presume that our share of that will be about 10 per cent, as it would normally be. That is what we will lose in direct funding to the state, in comparison with previous national commitments. Of course, there are some other national partnership agreements that gave additional money for reaching certain targets, and it is not yet clear as to whether that funding will continue; certainly, it has been changed. However, by far the largest component of our funding is intact, so our budgets over the next three years will not be affected.

Speaker; Mr Mark McGowan; Mr Ben Wyatt; Mrs Michelle Roberts; Dr Mike Nahan; Mr Mick Murray; Mr Terry Redman; Dr Kim Hames; Mr Dean Nalder; Ms Rita Saffioti

What will affect us, of course, is the introduction of the \$7 additional fee for patients going to their general practitioner, and I will let members know how that will work. If a patient pays privately for a doctor rather than bulk-billing, and their fee is \$55, they would normally then claim a rebate from the federal government in the order of \$36. From 1 July 2015, which is when this will come into play, they will receive \$5 less in their rebate, so the total cost will in effect be \$5 more. For doctors who bulk-bill there are two choices. They can continue to bulk-bill and not charge the patient, and if they do that, there will be a considerable reduction in their income—about \$11, including \$5 for the reduction in their component of the Medicare rebate, and the \$6 bulk-billing bonus. If they do not charge the \$7, they will no longer get that \$6, so in effect that is an \$11 reduction. If they charge the \$7, that will also hit pathology and X-ray services, so someone who is sent off for an X-ray, has a blood test and has a consultation with the GP will have three lots of \$7 to pay—in that case \$21, up to a maximum for concession card holders of \$70 in any one year; after that, it once again becomes free for bulk-billing.

The big concern for the state government, of course, is that the \$7 charge is fairly likely, in my view, to encourage people to instead come to the emergency departments of public hospitals. When GP-type patients come to public hospitals, we send them off to a GP clinic attached to the hospital. Again, for the GPs to get the \$6 additional funding, which is now called no-gap funding, they will have to charge their patients the \$7 fee. If patients come to our emergency departments and stay there, we will have the ability to charge that \$7, but the government is a long way from making any decision around that. It is certainly not what I would like to do. It will not raise a lot of money for the state government—something in the order of \$3 million a year—but it will create a huge administrative burden on staff in our emergency departments, whose job it is to be there to look after patients, not to try to sort out whether someone can pay, chase up people who have not paid, or determine whether someone who has come in with an injury should have to pay. I am very strongly against us having to do that.

Our concern, of course, is that if people cannot see their GP without having to pay a \$7 fee, they will come to our hospitals in large numbers, and that will impose a huge administrative difficulty on the management of our hospitals. However, as the Premier said—and he is correct—it is something that we will have to consider. We will have to consider whether we will do that, regardless of what we would like to do, to prevent large numbers of patients coming to our EDs to wait for treatment and refusing to see the GP attached to the hospital because they will have to pay \$7 there also, when we are trying to improve the efficiency of patients moving through the system.

This is not good news for health, and it is not good news that the commonwealth government has changed the agreements that we signed in good faith. We would certainly prefer that this were not happening, and I guess the only consolation for us is that it is not as yet affecting our finances from year to year. The decision will be made —

Several members interjected.

Dr K.D. HAMES: Well, it is true. It is a small consolation, in my view, but at least the large amounts of money that have been talked about being taken out of health Australia-wide will not affect Western Australia because we have growth in activity and growth in population, and that is protecting the funding that we get.

MR D.C. NALDER (Alfred Cove — Minister for Transport) [3.39 pm]: I rise to speak specifically about my portfolio and to rebut some of the issues raised around public transport and roads. There is no question that this city is growing; it is transforming. Although that is exciting in many ways, it also poses a number of challenges for the state. Commuter travel is a major focus of this government over this term, and we are undertaking a serious amount of activity. It really is a challenge, but it is also an exciting time.

In reply to the member for Midland, I will refer to my personal notes to reference some of the things we are working on and to remind members of them. I spoke last week about the Butler extension, which will carry an additional 2 000 people a day on rail. However, the government looks at the complete package. When we look at rail, we are not only looking at the train service, but also adding in bus services and creating parking. When the previous government built railway lines, it did not add parking to the train stations. We have had to retrofit parking for a number of stations.

We committed at the last election to 3 000 extra parking bays. We have delivered 4 800 bays, and we have another 3 000 bays in planning. We are spending \$580 million on a bus replacement program. We now have a total of 63.3 million service kilometres per annum, across 1 362 buses. We have increased the number of bus kilometres by over 20 per cent. We are spending \$244 million on new railcars. They are being delivered, one every couple of months, and we will be bringing them into service from now on over the next two years. We have spent \$610 million on the Perth City Link rail project, which was completed six months ahead of schedule. There is \$2 billion for the Forrestfield airport link. The member for Midland was challenging us about what we

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are doing in public transport. There is \$359 million for the new Perth Stadium transport project. There is \$57 million for the new Aubin Grove station.

We are talking about the need for better public transport. There is also a need for smarter public transport. In that space, we are adding live tracking on buses to provide a more convenient service for people who wish to catch a bus in Perth.

Mr M.P. Murray interjected.

The SPEAKER: Member for Collie–Preston!

MR D.C. NALDER: That will enable people to identify when the next bus will come past their stop. We have also introduced the Transperth app, which will enable users to find the next service at any stop, station or jetty and plan their journey. That is better public transport and smarter public transport.

We are applying the same principle to roads. We want to have—I am watching the clock—better roads. We are doing more on infrastructure around roads. We are establishing, for the first time, a freight corridor in this city from Fremantle port through to Kewdale. That will enable freight to get off our suburban roads and alleviate the traffic problems that are affecting a lot of our communities. This Liberal–National government has been very serious, with support from the federal government, about setting this city up so that we can continue to grow and continue to transform. As I have said, we want to have better roads. We have the widening of Kwinana Freeway, both northbound and southbound; the coalfields highway upgrade; the \$1 billion Gateway project; Perth–Darwin highway; the Great Northern Highway realignment; and North West Coastal Highway. We are spending billions of dollars on infrastructure on our roads. Again, we are looking at smarter roads. We are looking at merge trials onto freeways, as has been adopted in other cities. We are looking at applications that road users can access to plan for better journeys. This government is investing as this city transforms. This Liberal–National government, with the support of our federal colleagues, is making sure that we have a city to be proud of now and into the future.

MS R. SAFFIOTI (West Swan) [3.44 pm]: What an extraordinary response from the government to this matter of public interest! Let us go through it. We have just heard the Minister for Transport talk about smarter roads. That is interesting. However, all of the infrastructure spend that he outlined was funded and committed to by federal Labor—the Gateway project, 80 per cent federal Labor; North West Coastal Highway, 80 per cent federal Labor; —

Mr D.C. Nalder: That's not true!

The SPEAKER: Minister for Transport!

Ms R. SAFFIOTI: — Tonkin Highway upgrade, 80 per cent federal Labor; and Perth–Darwin highway, 80 per cent federal Labor. The only project that this government is funding is the freight link, and we need to have a toll road for that! For the first time in Western Australia's history, we will have a toll road, and members opposite all just accept it! That will be a complete change to how we live, and members opposite all just accept it! I was sitting here when the previous federal Labor government was throwing money at this government, and they all took this principled stand on issues to do with commonwealth takeover of the state. Yet what do we see now? We see toll roads, and we see payments in hospitals. We also see increases in fuel charges, which will impact regional people. The Minister for Regional Development talked about the Country Age Pension Fuel Card. Country people will need that fuel card when their colleagues in the federal Liberal Party and the federal National Party index fuel once again. This is a complete attack by the federal Liberals and the state Liberals. What an extraordinary response.

We heard the Minister for Health say, "Well, it's not too bad. It's a few years away."

Mr P. Papalia: I'll be retired! I'll be fishing!

Ms R. SAFFIOTI: Yes, I will be retired. I will be fishing.

We all remember that when federal Labor wanted to give this government 50 per cent funding for hospitals, the government said it did not want that interference; it did not want that extra money. The federal Liberal Party and the federal National Party now want to impose more costs on Western Australian patients and impact on the way our emergency departments work, and all members opposite can say is, "We think we'll be okay for a couple of years." That is absolutely extraordinary.

We then have the performance of the Treasurer. The person I felt sorry for during that speech was the member for Perth. That is who he was looking at, and she had to try to look interested for at least 13 minutes.

Several members interjected.

Ms R. SAFFIOTI: I feel sorry for her. She had to try to look interested in the Treasurer's speech for 13 minutes. I saw her, trying to look interested in what the Treasurer was saying.

Ms E. Evangel interjected.

Extract from *Hansard*
[ASSEMBLY — Wednesday, 14 May 2014]
p3358e-3368a

Speaker; Mr Mark McGowan; Mr Ben Wyatt; Mrs Michelle Roberts; Dr Mike Nahan; Mr Mick Murray; Mr
Terry Redman; Dr Kim Hames; Mr Dean Nalder; Ms Rita Saffioti

The SPEAKER: Member for Perth, I call you to order for the first time.

Ms R. SAFFIOTI: The Treasurer's response was, "The GST agreement is good." After all those years of criticising the GST agreement when federal Labor was in power, what did the Treasurer stand up and say? He said, "It's good. It's better than what we could have had." They signed an agreement that exposed a bigger share of our revenue to the Commonwealth Grants Commission, and it is good! I doubt that we will be any better off under this GST agreement than we were under the previous process. I doubt that very much. A bigger share of our revenue is being equalised away. The Leader of the National Party stood up and said that the National Party moved a motion in federal Parliament. He was part of the government that signed the GST agreement. He was there when the Premier and Deputy Premier signed the GST agreement. The National Party and the Liberal Party signed that GST agreement. They signed the GST agreement that exposed Western Australia to the Commonwealth Grants Commission. What an extraordinary response.

The Minister for Transport stood up and talked about projects. The majority of those projects were funded by federal Labor. The only project he talked about that will be funded by the federal Liberals is this toll road. The Leader of the National Party stood up and said we have the Country Age Pension Fuel Card; but, by the way, we will be indexing fuel, so all the people in regional Western Australia—who spend a far bigger percentage of their income on fuel than do people in metropolitan Western Australia—will now have to pay more for fuel. The Minister for Health stood up and said, "We have done a bit of an analysis, and we think we are okay." There was no issue about the fact that this government will be taxing patients in hospitals for the first time. The Treasurer stood up and said, "I think the GST deal is good." If that is standing up for Western Australia, what a pathetic effort! The federal Liberals and the Western Australian Liberals have sold Western Australia out! Last night, we saw a budget that attacked the Western Australian way of life. We should all be concerned about the future for our children as a result.

Division

Question put and a division taken with the following result —

Ayes (17)

Dr A.D. Buti	Mr F.M. Logan	Mrs M.H. Roberts	Mr B.S. Wyatt
Mr R.H. Cook	Mr M. McGowan	Ms R. Saffioti	Ms S.F. McGurk (<i>Teller</i>)
Ms J.M. Freeman	Mr M.P. Murray	Mr C.J. Tallentire	
Mr W.J. Johnston	Mr P. Papalia	Mr P.C. Tinley	
Mr D.J. Kelly	Mr J.R. Quigley	Mr P.B. Watson	

Noes (34)

Mr P. Abetz	Mr J.H.D. Day	Mr A.P. Jacob	Mr D.C. Nalder
Mr F.A. Alban	Ms W.M. Duncan	Dr G.G. Jacobs	Mr J. Norberger
Mr C.J. Barnett	Ms E. Evangel	Mr S.K. L'Estrange	Mr D.T. Redman
Mr I.C. Blayney	Mr J.M. Francis	Mr R.S. Love	Mr A.J. Simpson
Mr T.R. Buswell	Mrs G.J. Godfrey	Mr W.R. Marmion	Mr M.H. Taylor
Mr G.M. Castrilli	Mr B.J. Grylls	Mr J.E. McGrath	Mr T.K. Waldron
Mr V.A. Catania	Dr K.D. Hames	Ms A.R. Mitchell	Mr A. Krsticevic (<i>Teller</i>)
Mr M.J. Cowper	Mrs L.M. Harvey	Mr N.W. Morton	
Ms M.J. Davies	Mr C.D. Hatton	Dr M.D. Nahan	

Pairs

Ms M.M. Quirk	Mr R.F. Johnson
Ms L.L. Baker	Mr I.M. Britza
Mr D.A. Templeman	Mr P.T. Miles

Question thus negatived.