



PARLIAMENT OF WESTERN AUSTRALIA

INAUGURAL SPEECH



Hon Peter Katsambanis, MLC
(Member for North Metropolitan Region)

Legislative Council

Address-in-Reply

Wednesday, 22 May 2013

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Motion

HON PETER KATSAMBANIS (North Metropolitan) [5.04 pm]: Thank you, Mr President. I congratulate you on your re-election and look forward to working with you in this place over the next four years. I would like to thank all the parliamentary staff members who have been extremely helpful and understanding during the transition period since the election on 9 March.

I congratulate the Leader of the House on his recent appointment and I also congratulate all ministers and parliamentary secretaries. I wish them well in their endeavours.

At the outset, I declare my faith in God and my loyalty to Australia and to our flag and my commitment to faithfully serve the people of the great state of Western Australia. I was not lucky enough to have been born in Western Australia. However, I am one of the 80 000 people who make the choice to move here every year seeking the tremendous employment and lifestyle opportunities that this great state has to offer. As a member of the WA Parliament, I will always strive to maintain and enhance these tremendous opportunities for Western Australian families so that this state can continue to be the economic powerhouse of Australia and a first-class place for all of us to live in.

There are many things for which I need to thank my wife, Karalee. She has been my best friend, my support, my inspiration and my bedrock over the past seven years through good times and bad. She is a wonderful mother to our three young children, a great step-mum to my two older children and the best wife anyone could wish for. But today I want to particularly thank her for encouraging us as a family to move to Perth just over three years ago. Karalee's family links to WA prompted us to consider the move and it is a decision that we are certainly so very pleased we made.

We arrived at a wonderfully dynamic and vibrant place. Of course it would be that way, because WA has a wealth of primary resources and a skilled, entrepreneurial population. But a major reason for the state's excitement and growth was, and remains to be, the strong, stable and focused Liberal government so capably led by Premier Colin Barnett.

At the state election just over two months ago, the public of WA overwhelmingly endorsed the direction and the policies of this government. It was a sweeping victory and in the North Metropolitan Region 57 per cent of all voters chose to place their faith in the Liberal Party for another term of government. It was this unprecedented level of support that led to my own election as the fourth Liberal member for the region—a unique achievement and the crowning glory of this electoral triumph. I congratulate the Premier on this amazing victory and I am proud to be serving as a member of his team in this new Liberal-led government. In the next four years I, along with every member of the Liberal Party, will work to provide a continuation of the strong, stable and predictable government that the people voted for and through our efforts we hope to maintain their trust and support again at the next election.

The North Metropolitan Region that I have the honour of representing is an exciting place to live, work and raise a family. It is diverse and it is large, covering an area of 938 square kilometres and containing 350 000 voters. A place so large cannot be homogenous and each of

the 14 lower house electoral districts have their own unique flavours, characteristics, needs and desires. However, the region does have many things in common. It is, of course, as I said before, a wonderful place to live and work. It is blessed with great parks, recreational facilities and our magical ocean and beaches. It is also a place where very many of those people who move here from other states and other countries choose to make their new home. As one of those people who chose to live here, I have a strong interest in preserving and enhancing the things that make our area such an attractive place to live, like our pristine coastal environment, our high quality schools and our safe local communities.

But many challenges remain. Some of those challenges come in the pockets of disadvantage that remain in some areas of the electorate. As members in this place will come to know, I do not believe you can address this disadvantage with more handouts and a further expansion of the welfare state. I believe the real solution lies in a strong and meaningful education, local community engagement with strong role models and, at the end of the process, the best “welfare” anyone can ever receive, which is the skills and confidence to obtain and maintain meaningful employment.

Another big challenge across the North Metropolitan Region is the growing pains that come with the massive growth in housing and population across the area. This growth has been seen in both the more intensive infill and high-density housing that has spread across areas closer to the city as well as in more outer areas such as Butler, Alkimos and Wanneroo. The need for new infrastructure to meet this growth is well known. We continually need new schools, new and expanded hospitals and new and wider roads, as well as more public transport. All of these massive infrastructure projects require large injections of capital funding. Our state is doing its very best.

I was speaking recently to the education minister of another state who was left gobsmacked that WA could afford to build four new primary schools each and every year as well as rebuild more secondary schools whilst continuing with record new infrastructure investment in areas such as health and transport. His state had not built a new school for years and had no money to build one in the future even though it also had growth pressures. We are therefore doing well comparatively, largely because of the good management of our state’s finances by the Premier, the Treasurer and the entire Liberal-led government. However, we could be doing better if we could only access what is rightfully ours.

This brings me to the elephant in the room when it comes to meeting the infrastructure needs of my growing electorate and an entire rapidly growing state. Western Australia is part of the Australian Federation but sometimes we would hardly recognise that. In WA we have come to say that the people in the eastern states just do not get us; they do not understand us—and that is true for the most part. However, for a select group of people who have a profound influence over the future of WA, that is not the case at all. The bureaucrats in Canberra and the federal politicians, apart from WA’s own federal representatives, suffer from a much bigger problem than a lack of genuine understanding of the needs and concerns of Western Australians. I have worked in Canberra and I have seen it firsthand. The mandarins in our nation’s capital simply do not care about WA. It is not ignorance alone that guides their decisions, but also a callous indifference to the consequences of their ill-advised actions and the consequences they will have on the people of Western Australia. That is why we have borne the brunt of an iniquitous mining tax that has such a disproportionate impact on WA. That is why nobody over east does anything to reverse the plainly criminal impact of the Commonwealth Grants Commission formula for the distribution of GST revenue.

Make no mistake, the inequality in GST distribution between the states that sees WA receive less than half of what it would get on a per capita basis threatens the very fabric of our Federation, because it destroys the compact of equality between the states on which the

Commonwealth of Australia was founded back in 1901. Even the misguided Keynesian professors in my old economics lectures at university could tell us that less than half of GST revenue is not equality between the states and it is not fair on the people of WA. The only real solution is to remove the grants commission from the GST distribution process. A new process should be developed that establishes a set per capita element. Figures discussed recently, such as 75 per cent or 80 per cent, would be a far better outcome than the share we get today. The balance of funds after the per capita element is distributed should not be distributed in an arcane and opaque manner as they are today. Instead they should be distributed in an agreed, competitive and target-based manner in a similar way to the national competition policy reform payments of the 1990s and the early 2000s. In this manner, the states would strive for further competition and productivity reforms that would improve competitiveness and drive future growth in every state. That would, in turn, reduce their reliance on WA's money. And in case some of the mendicant states complain about missing out on their existing payments, it is high time they realised that there is no such thing as a free lunch. If they eschew growth and want to turn their state into some sort of historic theme park of the pre-industrial age, they should learn to live off mung beans and live in mud brick huts rather than expect their champagne socialist lifestyle to be subsidised by the toil of others. As the late great Margaret Thatcher once said —

Pennies don't fall from heaven, they have to be earned here on earth.

As more than a century of creeping centralism has continually displaced the competitive federalism that the founding fathers of Federation originally envisaged, many other areas have emerged in which the federal attitude of callous indifference to the plight of WA restricts our opportunities for growth and development. The overlay of federal red and green tape on existing state regulations, especially on large-scale projects, pushes out time frames and costs, often rendering projects financially unviable to the detriment of our state and our people. Despite noises from the Council of Australian Governments about fixing this bureaucratic mess, the proof will be in the pudding as to whether we can actually reduce the costs and delays through a new more competitive and coordinated process. Past experience makes me extremely sceptical that any meaningful reform will be achieved in this important area—but as an optimist, I remain hopeful.

Skilled migration is another area in which WA is hampered by the callous indifference of Canberra. Whilst we have been crying out for skilled and semi-skilled employees to enable us to complete major projects on time and to fill labour market gaps in our growing state economy, the federal government recently chose to engage in a retributive and dangerous debate demonising skilled migrants—the very people we need to help grow our state and the very people we have been attracting in their droves to WA over the past decade. Based on my long-term experience on migration tribunals and in practising migration law, the solution seems obvious to me. Once the federal government has set the basic parameters on temporary entry, WA should be able to look after its own skilled migration needs. This would include nominating our own unique state-based set of skilled occupations in high demand and having total control in filling the relevant positions at a local level, based of course on those broad federal parameters. In that way, we could be far more responsive not only to spikes in demand, but also to reductions in demand for skilled labour. That way we will not be bringing hairdressers into our state when we need engineers or, dare I say, we will not be importing more lawyers if we need more nurses!

It is patently obvious that GST is just the tip of the iceberg and that federal–state relations across many areas are approaching crisis point. Unless WA gains more say over its own destiny, at some stage down the track we may need to reconsider whether the Federation is relevant to us any longer, as someone else told us in this place yesterday. I hope it does not come to that to shake away the callous indifference of the Canberra bureaucrats.

Colleagues, I fundamentally believe in the power of the individual, and I believe that the greatest common good comes when individuals work together voluntarily to achieve shared goals and ambitions. That is why I believe in a small government that fosters a strong, civil society rather than an all-encompassing big government that strangles incentive and initiative. Ronald Reagan once said —

The government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it.

Higher taxes, more red tape and further subsidies will not improve our society. They will simply entrench dependency, stifle incentive, extend the welfare state, make big government an even bigger nanny than it is today and reduce the power of individuals to control their own destiny. In looking at all proposals to tax, regulate or subsidise that come before us in this place, I will ask the important questions such as why we need to do it, and what better alternatives there are to any big government measures that are proposed.

I believe that governments should live within their means and should endeavour at all times to balance their budgets, because to be profligate simply saddles a future generation with greater debt and hinders their own ability to prosper. I understand the distinction between using debt for capital projects and debt-funded recurrent expenditure. Just as it makes good sense for households to borrow to buy a capital asset such as a home, but not good sense to keep borrowing to buy food, it also sometimes makes sense for governments to debt-fund capital projects; but at all times, care must be taken to ensure that debt repayment can be met sustainably into the future without driving the budget into deficit. As much as it may come as a shock to some people, perhaps it is also time for all governments to start considering alternative ways to pay for some forms of infrastructure rather than saddling further debt onto future generations.

For some time I have been concerned that governments of all persuasions have been too focused on balancing the books rather than actually trying to reduce the size of government. I firmly belong to the school of thought that believes one can cut taxes and cut the overall size of government whilst maintaining both a balanced budget and the provision of a high level of essential services. To reduce the size of government, we need to cut unnecessary government expenditure in areas other than essential services such as police, health and education, and even in these areas, we can continue to do things smarter and obtain better value for the funds we invest. A great place to start is the massive bureaucracies at every single level of government that add very little value to people's lives and simply shuffle paper from one desk to the next. That is why I am heartened by the aim of the Liberal government to reform local government. In the days of the horse and buggy it may have made some sense to have a town council every few kilometres; but today, in some areas of our city, one can easily walk between several town council offices in less than an hour. At each office there is a highly paid chief executive, many senior executives and a plethora of sustainability managers, planning officers and other such impressively titled paper shufflers. Eliminate some of these positions and we can start to reduce the cost of local government without reducing services. I stress that when making changes to local government, my own experience in another place makes it clear to me that a one-size-fits-all approach does not work. The specific needs of regional and remote communities in particular should be considered on a case-by-case basis, but that should not be an excuse for inaction in some inner-city locations, including within my own region. By reducing bureaucracy and getting government to focus on the fundamentals, we can strive to reduce the burden of taxation on the WA public.

We have some silly taxes here in WA, and some plainly annoying ones. We also have taxes such as those on insurance, property sales and vehicle transfers, which add extra costs to

transactions when people are already stretched trying to purchase the item that is being taxed. But there is one state tax that goes beyond being a mild irritant or an annoyance. That tax is payroll tax, which attacks entrepreneurship, penalises businesses for being successful and destroys employment opportunities for the public of WA. The government has already taken some steps to reduce payroll tax; these steps are significant because they demonstrate that, unlike our political opponents, this government recognises the penal and destructive nature of this tax. I would love to see us all work together to reduce payroll tax much further and, in an ideal world, eliminate it altogether. It may take years or it may even take a whole generation, but the benefits to continued growth and employment in this state would be vast. If we could do it quicker than other states, it would also provide us with a strong competitive advantage to attract new, labour-intensive businesses that would broaden and diversify our economy. Perhaps that is why some other states fight so hard to deny us our fair share of GST, which would help us cut payroll tax faster and deeper.

As a lawyer, I have a strong commitment to the rule of law and to the premises that our legal system is based on, including the presumption of innocence, the right to a fair trial, and the onus of proof resting with the prosecution in criminal matters. There are rare occasions on which there may be some good public policy grounds to reverse the onus of proof, but I would like to see such occasions remain rare and I would want to examine each and every one of those occasions on their merit before agreeing to reverse such a fundamental principle of our justice system. However, I do believe that there is a strong community perception that our criminal justice system has tilted too far in favour of wrongdoers, and that it neither reflects the views of the law-abiding majority in our community nor provides the law-abiding majority with the protection from criminality that it expects and deserves. It is said that perception is nine-tenths of reality, and when such a perception becomes entrenched in society—that the criminal justice system provides some form of revolving door for wrongdoers—it can lead to a breakdown in faith and trust in the entire system. Although rehabilitation is a laudable aim of the criminal justice system, it should remain only one of the aims of that system, with deterrence and punishment for wrongdoing also being paramount elements in both maintaining trust in the system and ensuring the system properly protects innocent victims and law-abiding citizens. To rebuild trust, to achieve the right balance between wrongdoers and victims, and to send a strong message of support to the police on the ground, who do such a difficult job so well, we need to reassess which crimes should have mandatory minimum jail sentences imposed upon findings or admissions of guilt. In particular, we need to consider the application of such penalties to serious indictable offences such as murder, manslaughter, rape, other serious sexual offences including all sexual offences against minors, and serious assaults. Our community expects and deserves a criminal justice system that appropriately punishes people who commit such terrible crimes.

I have a great passion for education because it is one of the most important factors in empowering individuals and allowing them to maximise their potential in life. I highly commend the government on its independent public schools initiative, which is bringing back control of local schools to local communities and ensuring that the values and needs of those communities are reflected in the education provided to their children. I am excited about the changes to the Western Australian Certificate of Education, which I worked on in my previous role. These major initiatives will give every senior secondary student in WA the opportunity to obtain either a university entry score or a certificate II in training, and also provide them with an Australia-first minimum standard in literacy and numeracy. This will equip every student with the skills needed for their adult life, and set them on the path of lifelong learning and maximisation of their individual potential. But there is still more to be done; in particular, we need to focus on providing more parental choice and control in areas such as selection of schools for their children. For too long, parents have been shut out of such choices, but as the

IPS success has shown, parents are craving more choice and are demanding the ability to make the decisions they believe best benefit their children. We also need to keep building on the strong work this government has done to build the profile and quality of our state schools. As a product of a state school education, I believe we need to strive to make our state schools the best, not second best. I welcome the opportunity to come to this place and help build an even better state to provide even greater opportunities for future generations of Western Australians. I could not have done it without the support of my family and my great extended family in the Liberal Party. I have already expressed my gratitude to my wife but once again, thanks for everything, my angel. My parents were first generation migrants who worked hard and provided a strong example to me and my sister that you could succeed in Australia on merit as long as you applied yourself. Their work ethic, their strong moral compass, their thrift, their commitment to our orthodox Christian faith and a pride in our Hellenic heritage are things they have bestowed upon me that I will treasure for life. Like my parents did for me, I hope to continue to provide a positive example and role model for my own children, Ross, Nicolette, Andrew, Angelica and Zoe.

The Liberal Party has been a true second family to me. I have grown up in the party, becoming actively involved in the Liberal students, the Young Liberals and the senior party. On coming to Western Australia, the wonderful members of the Liberal Party provided an immediate support network for Karalee and me. We hope we can repay you all with our commitment and our hard work over time. It is indeed a rare honour to represent the Liberal Party in two different state Parliaments and I pledge to live up to the faith you have shown in me by bestowing this honour upon me. And talking about serving in two different places, I really cannot resist throwing in this line, which some people suggested I start my speech with: “As I was saying when I was so rudely interrupted 10 years ago”. I just could not resist that, because it proves that politics can be a long and unpredictable journey and in my case I have been extremely lucky to have had some amazing people who have always believed in me and backed me through thick and thin. To my great friend and mentor Michael Kroger, a very big thank you for your friendship and your advice and for simply being there whenever I have called upon you. To Peter Costello, your intelligence and sense of purpose has demonstrated to me what can be achieved in politics and the positive legacy you can leave when you set your mind to it. To my uncle and great friend Lefteris Papanicolaou, a former member of the Greek Parliament, you have demonstrated that even in the most difficult of political circumstances, an unshakable commitment to core values and beliefs can help you rise above the pettiness of everyday politics. To Senator Mathias Cormann, thank you for taking a chance on another humble immigrant to Western Australia. The support and friendship from both you and Hayley is deeply appreciated by both Karalee and me. I wish you every success as a minister in the forthcoming federal Liberal government, and I hope you remember what I said about those Canberra mandarins! To the leader of the government in this place, Hon Peter Collier, I get to call you “boss” again! My time in your ministerial office was one of the best jobs I have ever had and we kicked some great goals to make education better for WA students. I look forward to working with you in this place and I wish you every success in continuing to improve education in this state. I do not say this lightly, but with your grasp of the portfolio and your commitment to better outcomes, I expect history to record you as the best education minister this state has ever had—or possibly equal best with someone else who is currently serving as our great Premier!

To our wonderful personal friends here in WA, Rob Stanley and Ellie Steinhardt; Rosanna Capolingua and Paul Boyatsis; Marnie Brown and Jon Clancy; Lee and Brad Madigan; Mike and Nicola Henkel—thank you from both of us for all the love, friendship and support you have given us. You have helped make our transition to a new and sometimes intimidating place much easier. Thanks also to my mother-in-law, Diane Tilvern, for all of your great moral support to us both. To the team from Melbourne who flew over especially to support and assist me on election

day, Bernie Finn, Georgia Letten, James Duncan, Chris Jermyn and Hamish Jones—you guys are true Liberal Party warriors and your assistance is not only appreciated but also will never be forgotten, and neither will our motto on election day, “Solid Freedom”.

Thank you also to many other great Liberal friends here in Perth: Ben Morton and his team at Menzies House who did such a wonderful job in running a successful election campaign; federal Young Liberal president Tom White and WA Young Liberal president Whitney Jago; and to Simon Morgan, Brent Fleeton, Slade Brockman, Scott and Donna Faragher, Andrea Mitchell, Senator Michaelia Cash and all the other wonderful Liberals who have been of such great personal assistance to me. I am sure I have forgotten some names but rest assured I have not forgotten the help that everyone has given me over this journey.

Mr President, I thank all honourable members for the indulgence in allowing me to speak today. I look forward to working cooperatively as part of the Barnett Liberal government to fight for WA’s fair share of GST revenue, to address the perceived imbalance between wrongdoers and law-abiding citizens in our criminal justice system, to continue to improve standards and choice in education and to help maintain and improve the high living standards and quality of life for all Western Australians.

[Applause.]
